

# FINANCIAL TIMES

Weekend FT  
The Hollywood  
extras factory

Intrigue of the  
Vinland map

Fashion's dangerous  
liaisons



SECTION II

World Business News

WEEKEND JUNE 29/JUNE 30 1996

## New concerns over Yeltsin's health ahead of election

Russia's political uncertainty deepened yesterday when President Boris Yeltsin missed an important meeting, sparking concerns ahead of presidential elections on Wednesday that he may be suffering from health problems. Senior government officials said Mr Yeltsin had a "sore throat" brought on by a hectic campaign schedule, but the president's failure to appear in public since Wednesday has prompted fears that he may have suffered another heart attack. The speculation sent Russian stocks and bonds tumbling from this week's highs. Page 22

## Mortar attack rocks UK army barracks in Germany

A mortar attack on a British army barracks near Osnabrück in Germany set off explosions but no injuries were reported, German police said. The British army said the attackers appeared to have fired two mortars from a van outside the gates. German investigators said the attack appeared to be the work of the Irish Republican Army.

**Japan's jobless total at record levels:** Japanese unemployment hit 5.5 per cent last month, the highest since records began in 1953 and proof that the country's economic recovery has not relieved the pressure on jobs. Page 22

**Louhio confirmed plans to float off its hot- and African trading interests by next year.** The move to break up the UK conglomerate is designed to leave Louhio as a focused mining group under the wing of Anglo American Corporation, South Africa's largest company. Page 4; Results, Page 8; Lex, Page 22

**Lloyd's of London** is set to exclude many of its US names from underwriting next year unless state securities regulators retreat over legal action they are pursuing against the insurance market. Page 4

**German defence ministry faces big cuts:** German defence minister Volker Rühe faces a humiliating setback next week when he is expected to have to cut about DM700m (\$455m) from his 1997 budget so Germany can meet the Maastricht budget deficit criteria. The cuts are likely to affect some high profile European defence projects. Page 22

**Welfare reform plans clear early hurdle.** Page 2

**Wall Street helps to lift London shares:**

US treasuries lifted UK stocks which have threatened to fall below 3,650 on the FT-SE 100. At the end of a relatively busy session the FT-SE 100 closed 32.2 higher at 3,711. Over a week badly affected by sporting distractions, the FT-SE 100 had threatened to slide due to a lack of interest by fund managers. Yesterday's rally reduced the fall in the FT-SE 100 over the five days to only 11.3 points. London stocks, Page 18; World stocks, Page 17; Markets, Weekend Page XX; Dividend over the runs, Page 8

**Spain's go-ahead for sell-off plan:** Spain's centre-right government gave the go-ahead to an ambitious privatisation plan for state shareholdings which it said were worth Ptas2,600bn-Ptas3,000bn (\$39bn-\$44bn) overall. But it would not disclose its timetable or targets for revenues. Page 2

**Planet Hollywood in casino ventures:** US leisure group, PTT, is joining forces with the Planet Hollywood restaurant company to open a chain of "themed" casinos featuring movie memorabilia and guest appearances by screen stars. Page 3; World stocks, Page 17; Lex, Page 22

**Deadline extended on N-test ban talks:** International negotiators trying to complete a global nuclear test ban treaty were given an extra month to sort out their differences on key issues after their meeting in Geneva.

**James Bond producer dies:** Albert "Cubby" Broccoli, the US producer of the successful James Bond series of films, has died aged 87, at his home in Los Angeles. As well as 17 Bond films he made the children's classic *Chitty Chitty Bang Bang*.

**Becker out of Wimbledon:** Men's second seed Boris Becker withdrew from the Wimbledon tennis championships with a suspected fractured wrist, during a third round match against South Africa's Neville Godwin.

Companies in this issue	
Batman Brewing	Four Seasons
Berkley Group	Guinness Peat
Beta Resources	ITT
Cable and Wireless	Johnston Group
Calluna	James & Shipman
Capital Group	Le Gruel
Cater Allon	Lombard
Cathay Int	National Westminster
Clyde Petroleum	Partridge Fine Arts
Credit Foncier	Planet Hollywood
Cruiser	RTZ-CRA
DCS Group	TT Group
	Thames Water

For customer service and other general enquiries call:

Frankfurt  
(49) 15685150

## Inquiry to cover possible collusion by Chinese companies to control copper prices Sumitomo to probe cartel allegation

By Erika Terazono in Tokyo  
and Kenneth Gooding  
and Clay Harris in London

Sumitomo Corporation said yesterday that a key part of its investigation into huge copper losses would be possible collusion between Mr Yasuo Hamanaka, its former head trader, and Chinese state-owned companies, during the past decade.

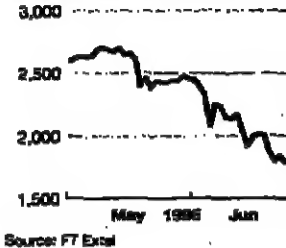
Although Sumitomo officials refused to comment yesterday on the report, which showed that Mr Hamanaka was able to force prices higher or lower at will on the London Metal Exchange, they said their investigation would include the possible price cartel.

"We think the copper cartel allegation will be one of the key points in our investigation with regulatory authorities," Sumitomo said. "It's going to be a very

Both statements followed a Financial Times investigation, published yesterday, which revealed the attempts to control prices by the Japanese trading house, in tandem with Chinese state-owned companies, during the past decade.

long investigation and we would not exclude anything." Officials of China National Non-Ferrous Metals Import and Export Corporation, one of the

**Copper**  
LME 3-month price (\$ per tonne)



Source: FT Data

companies with which Mr Hamanaka had close ties, declined to comment.

Representatives of Britain's Serious Fraud Office and Securities and Investments Board and the US Commodity Futures Trading Commission met Sumitomo officials yesterday to ask for information on trading between Mr Hamanaka and brokers in the UK and US.

Meanwhile, the Japanese Justice Ministry and Tokyo district prosecutor's office held consultations about opening their own investigation into the Sumitomo affair after a meeting between ministry officials and UK and US authorities.

They will look into the possibility of charging Mr Hamanaka with breach of trust and with fraud and embezzlement.

Japanese authorities had previously denied any intention to investigate the affair, maintaining there was no evidence of illegal behaviour by Sumitomo.

Meanwhile, Mr David Threlkeld, the trader who, when on the LME, in 1991 received a handwritten letter from Mr Hamanaka asking for a backdated invoice for a fictitious trade, said he still had not been contacted for information by any of the UK or US regulatory authorities investigating the affair.

But he and other US traders had been asked for documents by the Federal Bureau of Investigation, probably in connection with a grand jury investigation soon to be held in New York.

In London, the LME held a special board meeting, which traders suggested was intended to bring directors up to date with copper market conditions.

However, Mr David King, the exchange's chief executive, is believed to have urged directors to tell LME members to stop contributing to rumours swirling around the market.

Copper prices ended a volatile and nervous week on a positive note at 12.5 per cent above Tuesday's low at \$1,983.50 a tonne.

Commodities, Page 7  
World Stocks, Page 17

## Clinton yields to pressure over US trade initiatives

By Guy de Jonquieres and  
David Suchan in Lyons

US President Bill Clinton yesterday yielded to strong pressure from leaders of the world's other main economic powers concerned about recent US trade initiatives.

Mr Clinton joined his Group of Seven partners in signing a joint declaration committing governments to avoiding trade and investment measures which violate World Trade Organisation rules and codes of conduct agreed in the Organisation for Economic Co-operation and Development.

The declaration was said by other world leaders at the economic summit of the G7 leading industrial countries to amount to a clear condemnation of recent US unilateral trade initiatives.

They insisted on the declaration to underline their concern at the US Helms-Burton Act, which allows private legal actions against foreign companies doing business in Cuba, and at moves in Congress to authorise US sanctions on companies investing in Iran and Libya.

The European Union claims Helms-Burton breaches world

Recent 'go-it-alone' policies by Washington worry G7 nations

trade rules. "The G7 has given an unambiguous signal that go-it-alone tactics are not the way to settle one's trade problems," Mr Jacques Saurer, European Commission president, said.

Mr Leon Brittan, EU trade commissioner, called the declaration a "muffled but very sharp rap on the knuckles" for the US.

The US, however, said the declaration - which does not explicitly condemn US policy - did not regulate its controversial trade legislation. It insisted the legislation complied with international trade rules. Mr Clinton also declined to say whether he would exercise his right to waive some of the most controversial provisions of the Helms-Burton law.

The leaders gave a boost to the WTO by strongly re-affirming their commitment to the multilateral trade system and endorsing an outline agenda for the WTO's first ministerial conference, to be held in Singapore in December. They called on the

conference to discuss issues including links between trade and international investment and competition policy, and to explore the possibility of negotiating further industrial tariff cuts.

However, they rebuffed demands by the US, France and the European Commission for the WTO to discuss trade and labour standards, noting only there was "a will to address the question".

The leaders welcomed "the broad movements in major currencies since April 1995", which they called "positive and promising developments which helped to improve the conditions for sustained growth across the G7".

They warned that tax schemes which created harmful competition between governments risked distorting trade and investment and could erode countries' ability to raise tax revenues.

The summit was last night

Continued on Page 22  
Germany curbs G7 plan, Page 3



French president Jacques Chirac (right) greets Bill Clinton at the opening session of the summit in Lyons. The US president joined his G7 partners in signing a trade declaration.

## Islamist party forms historic secular coalition in Turkey

By John Barham in Ankara

Turkey's Islamist Refah party yesterday announced a coalition with the secular conservative True Path party of Mrs Tansu Ciller. Mr Necmettin Erbakan, Refah's leader, said: "The new government is formed. A coalition agreement was signed and we will announce it at 11am today."

The agreement follows six months of political disarray in Turkey and ends weeks of speculation over the progress of talks which began after the collapse in May of Mrs Ciller's conservative alliance with the Motherland party of Mr Mesut Yilmaz, the caretaker prime minister.

Mr Erbakan, 68, is to be the prime minister. This is the first

time since the establishment of Turkey's secularist republic in 1923 that an Islamist has taken control of the government. Mr Erbakan served as a junior partner in three coalitions in the 1970s but did not have a main role in government.

He said the government's new ministers would formally take office at midday and scheduled the first cabinet meeting for one o'clock this afternoon, but did not indicate what policies his government would follow.

Refah will control the finance, justice and culture ministries and have a majority in the cabinet. True Path will hold the more important interior, defence and education ministries. Mrs Ciller will also serve as deputy prime minister and foreign minister. Mr

Erbakan did not say whether he would rotate the premiership with Mrs Ciller.

Prior to Mr Erbakan's statement, Istanbul's stock market rolled 3.3 per cent on speculation that Refah and True Path were close to agreement. Brokers said investors were encouraged by the prospect of firm government.

However, some still question whether Mr Erbakan will be allowed to take power. The secularist generals, Turkey's politically powerful but discreet military, blocked Refah's attempts in the spring to form a coalition with Motherland. In recent weeks the military has hinted it could live with Refah in government as long as it did not tamper with the

Continued on Page 23

STOCK MARKET INDICES	
FT-SE 100	3,711.0 (+32.2)
Yield	4.38
FT-SE Europe 100	1,098.43 (+5.41)
FT-SE Asia 50	1,856.33 (+0.79)
Nikkei	22,526.75 (+29.14)
New York Composite	5,086.02 (+8.49)
Dow Jones Ind Ave	5,086.02 (+8.49)
S & P Composite	571.55 (+3.0)
LONDON MONEY	
3-mo interbank	5 1/2% (same)
Libor long 6m 12m	See 100% (50p 100%)
US LUNCHTIME RATES	
Federal Funds	5 1/2%
3-m Treasury Bill	5.175%
Long Bond	86%
Yield	6.901%
NORTH SEA OIL (August)	
Brent Dated	\$19.25 (19.35)
Stren Dated	\$19.25 (19.35)
GOLD	
New York Comex (Aug)	\$361.6 (361.6)
London	\$362.25 (363.3)
STERLING	
New York lunchtime	\$ 1.55325
London	\$ 1.5538 (1.5540)
DM	2.3651 (2.3526)
Sfr	7.9891 (7.9801)
Sfr	1.9448 (1.9338)
Y	170.423 (168.955)
E Index	65.3 (65.9)
DOLLAR	
New York lunchtime	DM 1.52045
DM	5.1405
Sfr	6.9856
Y	109.40
London	DM 1.5222 (1.5218)
FFr	5.1483 (5.1490)
Sfr	1.2517 (1.2509)
Y	169.665 (168.29)
Index	97.2 (97.1)
Tokyo close	Y 109.915

CONTENTS	
News	1
International News	2-3
UK News	4
Weather	12
Lex	22
Features	1
Leader Page	1
Letters	5
Man in the News	5
Companies	5
Companies & Finance	5-6
Markets	15
FT-SE Analysis	15
FT-SE-AWI Index	17
Foreign Exchanges	10
Gold Markets	7
Equity Options	17
London SE	19
LSE Dealings	18
Managed Funds - V&A 111-15	
Money Markets	10
Recent Issues	17
Share Information	20-21
World Capabilities	7
Wall Street	16-17
Bourges	16-17
Weekend FT	
Section II	

## Don't get stuck with a Corporate Bond PEP

Our top - quartile Preferred Income Trust - 2nd in its sector since launch - won't leave you stuck in corporate bonds should interest rates start to rise and bonds become less attractive.

That's because the Fund has the flexibility to invest in convertible, preference and ordinary shares when economic conditions change, which should further boost both its income and growth prospects.

Top quartile since launch\*  
6% gross income  
PEPable tax-free investment  
Prospects for capital growth  
To find out more call us today or return the coupon.

Call free phone on  
**0500 50 50 01**

To Singer & Friedlander Portfolio Management Ltd, FREEPOST LON2380 London EC3B 2AA.

Please send me details of your Preferred Income Trust. ☐ Personal Equity Plan. ☐

Title (Mr/Ms/Ms etc) Initials

Surname

Address

County Post code

TEF No

Singer & Friedlander  
Portfolio Management

Atlanta: 404/527-1234, Buenos Aires: 478-1234, Calcutta: 221-1234, Hong Kong: 221-1234, London: 020/555-1234, Madrid: 91/555-1234, Melbourne: 03/555-1234, New York: 212/555-1234, Osaka: 03/555-1234, Paris: 1/555-1234, Singapore: 333-1234, Sydney: 02/555-1234, Tokyo: 3/555-1234, Zurich: 01/555-1234

© THE FINANCIAL TIMES LIMITED 1996 No 33,022 LONDON • LEEDS • PARIS • FRANKFURT • STOCKHOLM • MADRID • NEW YORK • LOS ANGELES • TOKYO • HONG KONG



NEWS: EUROPE

# Spain gives go-ahead for privatisation

By David White in Madrid

Spain's centre-right government yesterday gave the go-ahead to an ambitious privatisation plan for state shareholdings worth Ptas2,500bn-Ptas3,000bn (\$20bn-\$24bn) overall.

But it would not disclose its timetable or targets for privatisation revenues, which it promised to use for servicing government debt.

Its reluctance to specify disposal plans appeared aimed at heading off labour protests, after the two main union federations announced joint plans to defend jobs in the public sector.

The government said some companies were ready for "immediate" privatisation. These are expected to include the government's remaining minority stakes in Telefonos, the Repsol oil concern and the Argentinian banking group.

Mr Josep Pique, industry minister, said privatisation offerings on the stock market could be expected "in the very near future".

He denied that the government had approached Repsol's main Spanish banking shareholders with a view to a direct sale of the government's remaining 10 per cent stake.

The terms of the latest privatisation rule out another public offering before February.

He said the emergence of "hard-core" shareholders in former state companies was a result of "the workings of the market", and the government

would not actively encourage them.

He added that investors aiming to take a dominant position in privatised companies might have to pay a premium.

In some cases the government might use existing legislation to retain a measure of control - in effect a golden share - but not on a generalised basis nor for an indefinite period.

State holdings have been divided into four categories:

- Priority disposal candidates;
- Sectors first requiring deregulation, for instance new ground rules in the electricity industry before the state reduces its two-thirds stake in the utility Endesa;
- Companies needing "consolidation" before they can be sold, such as the Iberia airline;
- Companies now surviving on state aid which may become privatisation candidates "in the medium or long term".

Mr Pique foresaw no early decision on Spain's state-owned shipyards, which were scheduled to emerge from losses in 1995.

"We will see how things go," he said.

Changes in the holding structure for state interests involve scrapping Teneo, a unit set up by the previous government in 1992 as a conglomerate of theoretically viable companies.

This is the second reorganisation in less than a year, following the abolition of Instituto Nacional de Industria, the giant holding group created by Franco regime.

# Yugoslavia shifts stance on debt negotiations

By Kevin Donohue, East Europe Correspondent

The Federal Republic of Yugoslavia yesterday made a significant change in its previously hardline policy towards the international financial community, by opening negotiations with its commercial bank creditors on its foreign debt.

Chase Manhattan of the US, which heads the London Club of commercial banks holding former Yugoslavia's debt, last night said the two sides had begun discussions "aimed at

normalising economic relations between Yugoslavia and the world's financial community".

The meeting held in London yesterday was the first between Belgrade and its foreign bank creditors for five years.

In a further softening of its stance towards the west, rump Yugoslavia - Serbia and Montenegro - said it was seeking both to renegotiate its sovereign debt and to secure a credit rating.

"In advance of approaching the international debt markets", it has appointed National Westminster Bank of the UK as its financial adviser.

Mr Vuk Obradovic, Yugoslav federal minister without portfolio, who headed yesterday's negotiations with the London Club, said in a statement that the international capital markets were "important to the republic's ability to manage economic recovery and fiscal reforms".

Belgrade also signalled that it might be preparing to embark on economic reforms, including the privatisation of some key state utilities.

The Yugoslav government

said, NatWest had been appointed as sole financial adviser to the Public Enterprise of PTT Traffic Serbia, the telecoms utility. The bank said it would be financial adviser and global co-ordinator for all aspects of the telephone company's privatisation and for any fund-raising moves in international capital markets.

Belgrade had been on a collision course with the international financial community. Earlier this year it launched a controversial legal action in the High Court in London against its foreign bank creditors in a vain attempt to halt the London Club's separate debt deal with Slovenia.

In an effort to overcome Belgrade's previous intransigence, the banks have pursued separate debt negotiations with the other four states which emerged from the collapse of former Yugoslavia.

The London Club has finished deals with Slovenia and Croatia, under which the two countries are taking on 18 per cent and 29.5 per cent respectively of the \$4.6bn commercial bank debt of former Yugoslavia, and it has reached the

first stage of agreements with both Macedonia and Bosnia-Herzegovina.

Belgrade has not yet abandoned the legal action in London, but it is understood that no more action will be taken as long as the negotiations with the London Club proceed. The next round of talks is scheduled for mid-July.

Mr Obradovic and Mr Robert Gyenge, chairman of the banks' International Co-ordinating Committee, said in a joint statement last night that the meetings had been held in a constructive spirit.

late points according to the balance of their Extraordinary and then choose household goods from a catalogue offering virtually everything from bathroom scales to colour television sets.

Banesto has tested its product in selected branches and is now satisfied with the mix of surprise prizes, points for gifts and modest interest. With Indurain kick-starting the national launch, the bank expects to have 300,000 clients for the account by the end of the year.

Indurain, who will turn 32 midway through the tour, will probably retire at the end of the season, but Banesto should take on a new lease of life.

The bank believes Extraordinary balances will average Ptas300,000, with the new product adding Ptas90bn to the Ptas3,945bn deposits the bank reported at the end of last year.

Weekend FT, Page VI

But a possible thaw will not be hurried by Mr Václav Klaus, as the sports-mad Czech prime minister will not be at the final.

The football tournament has already had an impact on the Czech Republic's internal politics. Before Wednesday's semi-final game against France, politicians in Prague were at one another's throats fighting over cabinet posts. But within hours of the victory they emerged smiling and waving an agreement that had ended them for nearly a month.

The ending of the deadlock means a new government could be sworn in as early as Thursday.

The country's remarkable progress to the final of the championship has even sparked a mini-consumer boom. Stores have reported a huge rise in the sale of television sets while every airline ticket to London was sold out within 24 hours of the country's win over France.

If the team's success has surprised the country, it has also surprised some of the players. Vladimir Smicer, the striker who scored the equaliser against Russia that guaranteed the Czechs a place in the quarter-finals, had planned his wedding for yesterday, presumably thinking he would be back in Prague. A local stock-broking firm stepped in to provide a private aircraft to whisk him home for 24 hours.

When Czechoslovakia won the 1976 final against West Germany, half the team were Slovak. Now a smaller Czech Republic takes on a bigger Germany, adding a sharper edge to an old rivalry. But for some Czechs it is the wrong opponent in the wrong game. The most intense sporting rivalry is between the Czechs and the Russians in the game of ice hockey.

"Czechs take a certain pride in beating the Germans, but the rivalry is more intense against Russia because the historical experience is more recent," said Mr Jiri Pehe, a political analyst.

# German welfare reform plans clear early hurdle

By Peter Norman in Bonn

The German government yesterday pushed a large part of its controversial programme of spending cuts and welfare restructuring through the Bundestag, the lower house of parliament, but the package must clear further legislative hurdles before it becomes law.

Plans to trim sick pay, make economies in the health service and reduce legal protection against dismissal for workers in small enterprises employing 10 people or fewer passed their second and third readings after five hours of angry debate.

But, because of a procedural error by the government, the Bundestag will have to reconvene for a special session on July 9 for the third reading of legislation to make economies in the state pension system.

The Bundestag, the opposition-dominated second chamber representing the federal states, will debate the package on July 19 and has already

made clear it will demand modifications. These will be considered by the conciliation committee of both houses before another special session of the Bundestag on August 29.

Final parliamentary passage of the measures is expected in the second week of September, when the federal budget for 1997 is also due for its first reading in the Bundestag.

The government's measures are designed to cut federal government spending by DM25bn (\$16.2bn) next year and reduce outlays by the state pension and health insurance funds by a further DM20bn. The federal states, or Lander, are also trying to find spending cuts of DM25bn by a July 5 deadline.

The federal government savings are needed to hold down the budget deficit and help finance tax reductions planned for the year, including a 1 percentage point off the unpopular 7.5 per cent "solidarity surcharge" that is added to income and corporation tax bills.

The economies in the health and pension sectors are designed to cut rising contributions from employers and employees which have added to Germany's non-wage labour costs, damaging the country's international competitiveness and boosting unemployment.

In yesterday's debate, Mr Oskar Lafontaine, leader of the opposition Social Democratic party, accused the government of seeking to sacrifice Germany's welfare state to globalisation.

A second vote produced the same result - 113 votes for and 113 against. Parliamentary procedure determines that a bill is defeated after two successive votes are tied.

On top of the embarrassment of losing an important vote, controversy over the football plan threatens to undermine government efforts to end "a latent tax revolt" involving arrears of more than \$1,100bn (\$7bn).

Opposition parties on the left and right accused the government of fawning to the popu-

# Government accused of fawning to popularity of big football clubs

## Lisbon setback over club debts

By Peter Wise in Lisbon

Portugal's Socialist government has suffered its most serious defeat since taking office seven months ago, over a plan to help football clubs pay their debts to the taxman.

In the parliamentary equivalent of a penalty shoot-out, the minority government lost on Thursday night after a vote on a proposal to transfer all revenue from the state football pools system to the clubs resulted in a stalemate.

A second vote produced the same result - 113 votes for and 113 against. Parliamentary procedure determines that a bill is defeated after two successive votes are tied.

On top of the embarrassment of losing an important vote, controversy over the football plan threatens to undermine government efforts to end "a latent tax revolt" involving arrears of more than \$1,100bn (\$7bn).

Opposition parties on the left and right accused the government of fawning to the popu-

larity of clubs such as Benfica, FC Porto and Sporting Lisbon in "a blatant injustice" to other taxpayers, with a measure designed to help them pay an estimated \$150bn in tax arrears.

The clubs currently receive only 50 per cent of football pool revenues; the remainder is paid to charities and welfare organisations. If the government measure had been approved, the remainder would be funded from other state resources.

The row has deflated the impact of a more important government plan to instil a more dutiful attitude to taxation in the Portuguese and recover part of tax and social

security arrears that amount to almost twice the budget deficit.

Mr Antonio Sousa Franco, finance minister, told parliament that Portugal was "hypersensitive" to the football issue because the previous centre-right government, defeated in a general election in October, had left the tax system in "chaos". A "time bomb" had been left in the hands of the government, which now faced a latent tax revolt, he said.

On the eve of the debate on the football proposal, the government announced a plan that would enable all companies and individuals to pay tax arrears in instalments over 12 years at low interest rates.

Similar plans, including one approved by the previous government two years ago, have not proved effective. But Mr Augusto Mateus, economy minister, said new computer systems and tougher enforcement would ensure greater respect for tax obligations.

Tax arrears had been increasing at a rate of about \$150bn a year since 1992, creating a brake on economic growth, and many companies were competitive only because they evaded tax and social security payments, he said.

Tax evasion is so rife in Portugal that, according to their tax declarations, the average self-employed doctor or lawyer earns less than a waitress or a construction worker. A majority of companies declare a loss and pay no taxes at all.

Close to 80 per cent of total value added tax revenue comes from the pockets of only 300 big companies. The parallel economy, where no receipts are written and few questions asked, is estimated to represent 15 per cent of gross domestic product.

Table with 4 columns: Country, Model, Price, and Tax. Rows include Germany (Mercedes, BMW, VW), France (Peugeot, Renault, Citroen), and UK (Ford, Vauxhall, Rover).

# Car importers take apart customs regulations

## Judy Dempsey reports on how Poles are driving through a loophole in vehicle tariffs

If all goes according to plan, Mr Janusz Zielnik will be resulting the body, wheels and several other bits of his new car this weekend.

For two days Mr Zielnik has been patiently waiting in a 2km-long queue of vehicles to cross the border into Poland from Górlitz, a beautiful medieval town tucked in a corner of eastern Germany.

Like hundreds of others in the queue, Mr Zielnik has an old Polish car and a trailer. On his trailer is the body of a three-year-old Volkswagen Golf, minus its wheels and various other components.

Asked whether he intended to use the car for spare parts, he laughed heartily. "Spare parts? Heavens above! Why should I?"

He lowered his voice. "You see, the rest of the car is with my friends in the queue. One has the engine, the other has the wheels. We dismantled the car. That way we avoid paying the full customs duty on the Polish side."

Mr Zielnik, a 35-year-old computer programmer, is one of thousands of Poles who travel across to Germany, stay with friends and do odd jobs in order to save up and buy a car. But because of Poland's prohibitive import duties, the only way to get the car cheaply to Poland is to dismantle it.

Under Polish regulations, anyone wanting to import a complete car into Poland must pay a minimum of \$1,500

(\$1,900), rising to \$2,500 depending on the value of the car. Importers have to pay 33 per cent of the car's value, plus a 22 per cent value added tax. If only the body of a car is imported, there is a minimum duty of only \$550. "You can see why we don't want to pay the full amount," said Piotr, Mr Zielnik's friend and caretaker of the engine.

German customs officials are well aware of this practice, which started about three

years ago. "First there was a trickle of dismantled cars, many of them quite new," said Mr Hans-Joachim Hemmerling, the chief customs officer on the German side.

"Then more and more Poles started doing it. This is Polish ingenuity. They need a car for business. But it's expensive. So they always find a way around obstacles."

The task of the German customs and border guards is to check that the papers of any

cars going into Poland are in order and the car has not been stolen. The border guards have recently installed a new computer system linked to Interpol, the international Criminal Police Organisation, and other data banks. Otherwise, the various chunks of engines and car parts are of little interest to them.

But they are to the Polish custom officers. "Now that's where it gets a bit tricky," said Piotr.

cars going into Poland are in order and the car has not been stolen. The border guards have recently installed a new computer system linked to Interpol, the international Criminal Police Organisation, and other data banks. Otherwise, the various chunks of engines and car parts are of little interest to them.

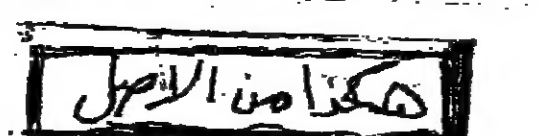
But they are to the Polish custom officers. "Now that's where it gets a bit tricky," said Piotr.

cars going into Poland are in order and the car has not been stolen. The border guards have recently installed a new computer system linked to Interpol, the international Criminal Police Organisation, and other data banks. Otherwise, the various chunks of engines and car parts are of little interest to them.

But they are to the Polish custom officers. "Now that's where it gets a bit tricky," said Piotr.

cars going into Poland are in order and the car has not been stolen. The border guards have recently installed a new computer system linked to Interpol, the international Criminal Police Organisation, and other data banks. Otherwise, the various chunks of engines and car parts are of little interest to them.

But they are to the Polish custom officers. "Now that's where it gets a bit tricky," said Piotr.





## INTERNATIONAL NEWS DIGEST

## Burundi calls for intervention

Foreign military intervention in Burundi to try to stop the violence between majority Hutus and minority Tutsis is looking increasingly likely following a call for help by the government. Six African leaders emerged from Tuesday's meeting in the Tanzanian town of Arusha acknowledging only that they had agreed to set up a technical committee to study an official request for "security assistance". But diplomats said yesterday the Burundi government, which in the past has consistently rejected UN calls for intervention, had asked for a foreign security force to protect politicians, civil servants and key installations.

In an implicit acknowledgment of the role played by the Tutsi-dominated security forces, terrorising the countryside in a bid to wipe out support for Hutu rebels, the leadership also asked for help to restrain the police and gendarmes and end the army's role in maintaining public order.

Proposals being discussed include sending in a force of Tanzanian and Ugandan troops, with Kenya contributing police, and western countries, who have made it clear they are unwilling to offer any troops, providing the funding.

Tanzania, exasperated by the influx of thousands of refugees from Burundi, is willing to act. The involvement of Uganda, which has close ties to the Tutsi-dominated government in Rwanda, is aimed at reassuring Burundi's Tutsi minority.

Michela Wrong, Nairobi

## Swiss sign Cuba investment pact

Switzerland has become the 17th nation to sign a bilateral investment promotion and protection agreement with Cuba. The agreement comes three months after the introduction by the US of legislation aimed at discouraging foreign investment on the island. At a signing ceremony in Havana yesterday, Mr Nicolas Imboden, a senior Swiss trade official, said the agreement would help to create conditions for future Swiss investment in Cuba. He said current bilateral trade levels were very low.

Switzerland is the fifth west European state to sign an investment accord with Cuba after Italy, Spain, Britain and Germany.

Pascal Fletcher, Havana

## Netanyahu aide meets Arafat

Mr Benjamin Netanyahu, Israel's hawkish prime minister, has sent a top aide for a ground-breaking meeting with Mr Yasser Arafat, president of the Palestinian Authority, it was announced yesterday. Mr Dore Gold, Mr Netanyahu's influential foreign policy adviser, met Mr Arafat secretly in the Gaza Strip on Thursday. It was the first encounter between an official of Israel's new rightwing administration and Mr Arafat, denounced by Mr Netanyahu until recently as a "terrorist". Palestinian officials hailed the Gaza meeting as a prelude to face-to-face talks between Mr Netanyahu and Mr Arafat.

Yaroslav Trifunov, Jerusalem

## Thai bank opens in Anhui

Thai Military Bank has opened an office in the Chinese province of Anhui, the first foreign bank to do so. The office, in the provincial capital of Hefei, will provide consultation, liaison and market research services and is considering some direct investment and lending activities.

In the past, Chinese authorities have selected Thai banks to be the first foreign financial institution to operate in some provinces - Bangkok Bank and Krung Thai Bank in Yunnan province for example - especially in southern China, where many of families which control Thailand's top financial institutions emigrated from in the first part of this century.

Ted Bardsley, Bangkok

## Shipping talks off until 2000

Trade negotiators yesterday decided to suspend stalled talks on liberalising ocean shipping and other maritime services, and resume them in the year 2000. The two-year-old negotiations, under the auspices of the World Trade Organisation, were blocked at the end of last month by the refusal of the US to take part in a multilateral deal.

Under yesterday's agreement talks will restart at the same time as other WTO services negotiations.

The WTO's most-favoured-nation (non-discrimination) precept will continue to be suspended in the maritime sector until new talks are concluded.

Frances Williams, Geneva

## Norway in whaling protest

Norway staged a symbolic walkout from a session of the International Whaling Commission's annual conference yesterday, to express its irritation at a resolution censuring it for continuing to hunt whales in the North Atlantic. Mr Kari Bryn, the Norwegian whaling commissioner, said: "The IWC has got into the habit of passing resolutions against Norway at every annual meeting. It is extremely irritating and we would like this practice to stop. We are completely within our rights doing the whaling we do."

Norway is not bound by the worldwide moratorium on commercial whaling because it exercised its right to object to it when it was agreed by the IWC.

The uneasy stand-off among the IWC's 38 members is set to continue, with Norway and Japan carrying out a small amount of whaling, while other former whaling nations such as the US and the UK condemn them and urge them to stop.

James Buxton, Edinburgh

## US attacks dam 'hypocrites'

The US yesterday accused leading western countries of hypocrisy for failing to follow its example of withholding export credits to China for the controversial Three Gorges dam project.

Mentioning Germany and the UK, Ms Eileen Claussen, assistant secretary of state responsible for international environmental and scientific affairs, said: "A lot of industrialised nations speak a good game on the environment but don't follow through on action."

The US Export-Import Bank, acting on advice from the government, announced last month that it would not be providing finance for the \$300m project. Plans for the hydro-electric dam would force 1.1m people to move, and devastate local ecosystems.

Leyle Boulton, London

## Nickel mine to reopen

A large nickel mining and refinery complex on Nonoc island in the southern Philippines is to be reopened by a consortium of Hong Kong and Philippines investors and Trafalgar House, it was announced yesterday. The project, which involves refurbishing a nickel mine and supporting infrastructure, is likely to cost \$500m, said Mr John Fletcher, managing director of Trafalgar House corporate development.

Trafalgar, acquired earlier this year by Kvaerner, the Norwegian engineering and shipping group, is to take an equity stake in the project alongside Pacific Nickel, which comprises Philippines industrialists and Hong Kong investors, including the Kadoorie family.

John Riddling, Hong Kong

## Court rallies to PTT colours

The lime green corporate livery of PTT Telecom, the Dutch telephone utility which is part of the privatised KPN group, was yesterday upheld by a court in The Hague as constituting a protected trademark in the sector. In a ruling sought by KPN the court said Lacs, an equipment supplier, could not use in its advertising a shade so similar that the public might wrongly think its products were those of PTT.

Since partial deregulation of the industry in 1993, numerous niche players have sprung up, and even shop fronts of private fax bureaux commonly use the same hue. An official at KPN, which has regarded this as a test case, warned: "If other companies try to ride on our green bicycle, we will go to court again."

Gordon Crabb, Amsterdam

## Germany curbs G7 'gold for poor' plan

By Robert Chote and Bruce Clark in Lyons

Germany remained isolated in its approach to poor country debt relief yesterday, arguing that sales of international gold reserves would be too much for its public to swallow at a time of nervousness about the costs of European monetary union.

But Mr Robert Rubin, the US treasury secretary, predicted at the Group of Seven summit in Lyons yesterday that there would eventually be agreement to sell and reinvest some of the International Monetary Fund's gold reserves to help pay for debt relief.

The IMF management has proposed that \$20m of its \$400m gold reserves should be sold and reinvested. This would help pay for its contribution to a joint initiative with the World Bank and government creditors that aims to reduce the debts of up to 20 poor countries to sustainable levels.

Germany's Chancellor Helmut Kohl said he doubted whether sales of IMF gold were likely or desirable. "I have serious doubts about whether it would be wise in the present situation, when we have to fight a battle about introducing the euro," he said, referring to the proposed single European currency.

Mr Rubin welcomed the fact that leaders of the Group of Seven leading industrial nations had agreed a comprehensive framework to tackle poor country debt at the summit. Germany conceded that this should involve "greater concessionality" in lending under the IMF's enhanced structural adjustment facility (ESAF).

"What this points to is the sale of a small portion of the IMF's gold," Mr Rubin said. But Mr Kohl said it would not be realistic to promote a policy of gold sales when there were grave doubts about the proposal in Germany.

Gold sales require 85 per cent support in the IMF's board. Mr Kohl said it was unclear whether proponents of gold sales could muster such a majority, although some officials said the Germans had conceded privately that they did not think they could assemble a 15 per cent blocking vote.

"We do not want to start discussing the sale of gold reserves," said Mr Kohl, adding that the issue was an emotional one for the German government as it contemplates how to reach the borrowing target in the Maastricht treaty.

The Germans blocked any direct reference to gold sales in the summit communiqué, agreeing only that "if needed, the IMF should consider optimising its reserves management in order to facilitate the financing of ESAF". British and US officials said this was in effect an admission that gold would eventually have to be sold.

The G7 leaders also urged the Paris Club of bilateral creditors to go beyond the 67 per cent debt relief available to poor countries under the so-called Naples terms. World Bank officials said that this was not as strong a message as they would have liked and that without a significant contribution to the debt initiative from the Paris Club the "numbers do not add up".

The summit also laid out a detailed prescription for the reform of the UN's work in the field of development, aimed at trimming bureaucracy and cutting the number of agencies with overlapping functions.

The G7 called for the appointment of a single official to co-ordinate the three departments of the UN secretariat that are responsible for development. The same official, who would have the rank of Under Secretary-General, would act as executive secretary to Eco-soc, the panel of governments which oversees the UN's complex array of economic agencies.

The summit skirted round the future of Mr Boutros Boutros Ghali, the UN secretary-general, although Mr Nicholas Burns, the US State Department spokesman, reaffirmed Washington's determination to block any extension of the Egyptian diplomat's mandate at the end of this year.

The G7 suggested that where rationalisation was needed, UN-supported funds and programmes could be merged with those of the UN Development Programme, which is seen as one of the more promising agencies. It also called for the UNDP's country programmes to be harmonised with those of the UN's population control agency and Unicef, the UN Children's Fund.

Diplomats said these recommendations marked a breakthrough in the G7's efforts to promote UN reform.

## Vietnam's old guard shows who's boss

Despite a fast-reforming economy, the Communist party congress is parading the old certainties



Smashing peaceful evolution: party general secretary Do Muoi (right) assists former prime minister Phan Van Dong on a visit to the Ho Chi Minh mausoleum in Hanoi yesterday

Just in case anyone had forgotten, Vietnam reminded the world yesterday that it remained firmly in the socialist camp, opening a landmark Communist party congress with pledges to carry on economic reforms but to stamp out "hostile forces" that could undermine the party's grip on power.

It also announced a shake-up to the top leadership, the final twist in a tussle for power that has mesmerised foreign observers for months and raised questions about Hanoi's commitment to speedy moves to a market economy.

"[We must] defend the people, the party and the socialist regime to prevent and smash all designs and activities of peaceful evolution, rebellion and subversion," Mr Do Muoi, party general secretary, told delegates from the country's 53 provinces.

"Peaceful evolution" is a phrase used by Hanoi - and sometimes Beijing - to refer to a gradual drift towards democracy and capitalism.

The presence of Mr Li Peng, China's prime minister, beside Mr Muoi on the podium under huge portraits of Marx and Lenin no doubt helped to strengthen the message. Mr Li was leading the first Chinese delegation to a Vietnamese congress in 36 years.

By the time it ends on Monday, the party central committee will have formally selected a 19-member, expanded politburo, bringing in nine new faces to the body that makes all key decisions in Vietnam.

In a dramatic change, a politburo standing committee will be set up, centralising power in the hands of its five to seven members. These are likely to include the current ruling triumvirate of Mr Do, 78, President Le Duc Anh, 76, and reformist prime minister Vo Van Kiet, 73, who will also remain politburo members.

The congress is the country's most important political event, as it sets the seal on policy for the next five years, enshrined in a political report that has taken months to hammer out. Yet despite the party's best efforts to excite the population, the intricacies of policy and personality are of little interest to the average Vietnamese as they go about their daily business. Party membership is only 2.2m in a population of 74m.

"For us, we work in order to eat. Then perhaps number two, football these days," said the owner of one cafe not far from a huge billboard depicting former president Ho Chi Minh and the Roman numerals "VIII", a reference to the fact that this is the party's eighth congress. The first was held in 1935 in the Portuguese colony of Macau.

Loudspeakers nailed to electricity poles have been blaring propaganda daily onto the streets of Hanoi and in communities in the countryside. Red banners strung across streets carry lugubrious slogans that are usually ignored. The one picked to usher in the congress reads: "The VIIIth national party congress - the continuing of renewing, building up and safeguarding a socialist country and people's happiness."

Earlier, the country's leaders and all 1,200 delegates queued in front of the grey mausoleum opposite the congress hall to file past the embalmed body of Ho Chi Minh, which has lain in a glass casket since his death in 1969. Some elder delegates were somewhat frail, with tele-

vision cameras unwittingly catching them later nodding off during longer speeches.

The political report repeated Hanoi's frequently-made commitment to continuing the last 10 years of incremental economic reforms, known as doi moi (renovation). This has transformed the country from a poverty-stricken international pariah to a magnet for foreign investment and engagement by the US, the European Union and its neighbours in south-east Asia.

Income in the cities are rising fast and most people can afford refrigerators, motorcycles and other consumer goods. In Ho Chi Minh City, the commercial capital, average per capita income is already \$800 a year.

The report set ambitious targets, with gross domestic product growth averaging 9-10 per cent over the next five years and industrial output growing at 14-15 per cent a year.

It dropped an earlier mention that the state and co-operative sector would account for 50 per cent of gross domestic product, instead re-affirming the role of the state sector as the "foundation of the economy". It rejected wholesale privatisation of state-owned enterprises.

This is likely to disappoint observers hoping for more radical policies. But, with the leadership sidetracked by the succession question, there has been little inclination to tackle policy issues.

Government decision-making has been virtually paralysed in the past few months as the ageing politburo has tried to find ways of handing power to a younger generation without upsetting the existing balance among reformers, conservatives, the military and Vietnam's northern, southern and central regions.

Jeremy Grant

# WHAT HELPED WIN THE MOTABILITY CONTRACT WAS OUR STAFF. NOT JUST THEIR SKILLS, BUT THEIR POSITIVE ATTITUDE

It takes a special kind of insurance company to rise to the challenge of the special needs of disabled drivers. So how did Motability, the charity that supplies cars to the disabled, choose who to cover all 250,000 of their vehicles (the largest fleet contract in Europe), not to mention their own very special requirements?

They needed an insurance company who had highly sophisticated telecom technology. But also people who could deal with the special problems of disabled drivers in a sympathetic way over the phone. Which was far less straightforward.

"The way the local workforce had adapted to dealing direct gave us the confidence to look at opportunities such as Motability."

Telecommunications technology? That was easy. Merseyside has just about the most advanced system in Europe, and with the telecom-trained staff to go with it. But it was the staff of the Royal Insurance that tipped the balance. Not just their skills, but their attitude.

Every staff member on the Motability project went on a disability awareness course (which included negotiating Liverpool City Centre in a wheelchair) to give them the right level of understanding when talking directly on the phone to a disabled claimant, co-ordinating things like garage repairs and emergency transport.

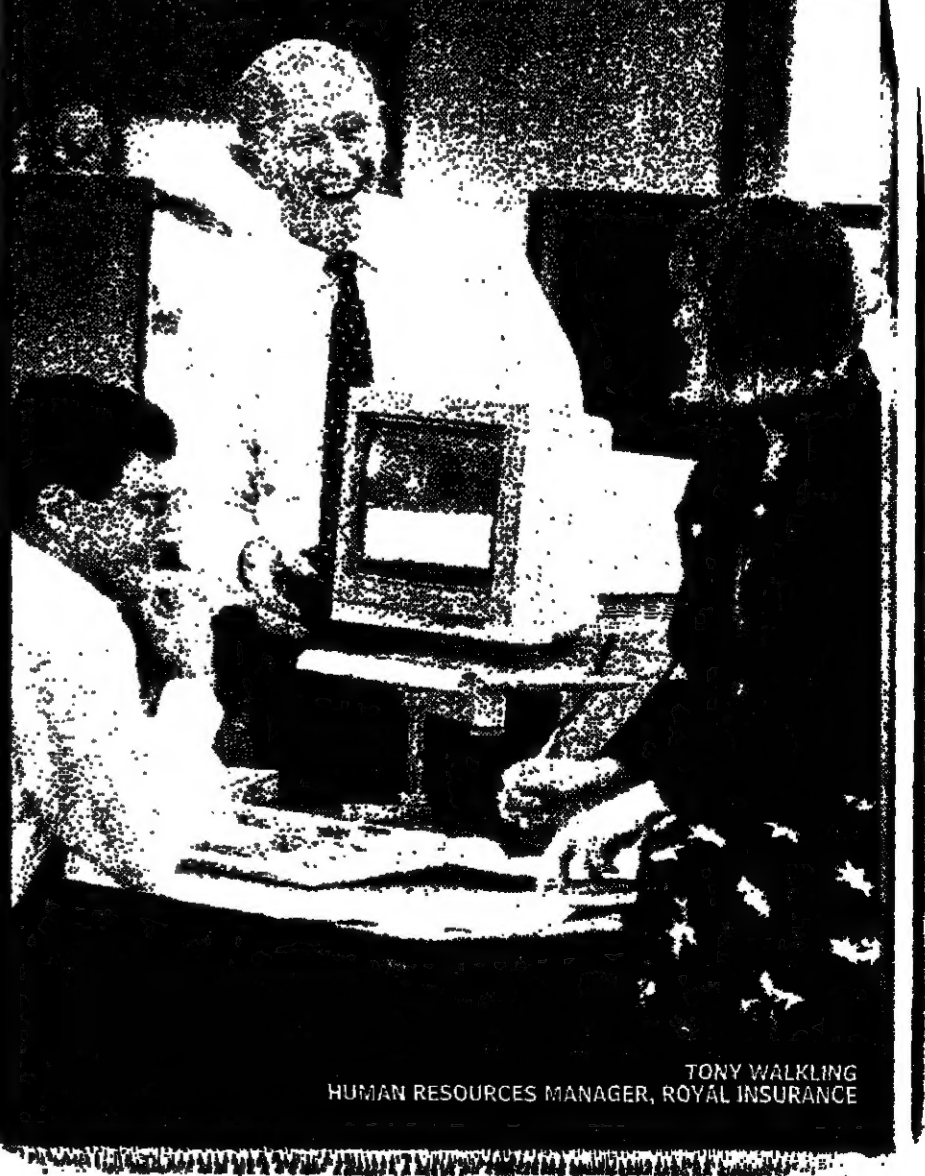
"For Motability, fully comprehensive meant more than just policy cover. It meant handling the special needs of disabled drivers. Our Merseyside staff rose to that challenge."

Adaptability and enthusiasm have been the watchwords of Merseyside for a generation. The clerical skills developed by companies like Royal Insurance and Littlewoods 20 years ago are now the telephone skills of today's generation using state of the art equipment.

And look at some of the other companies investing on Merseyside - Kodak, Ford, Barclays and oil and gas exploration company, BHP.

Of course they're here for the technology. Of course they're here for the low operational costs, site availability, grants and assistance, training and two world class Universities.

But in the end what makes Merseyside truly unique is the element that swayed Motability. The premium difference was the people.



TONY WALKLING HUMAN RESOURCES MANAGER, ROYAL INSURANCE

**MERSEYSIDE**  
A pool of talent

TO DISCOVER MORE ABOUT THE INVESTMENT POTENTIAL ON MERSEYSIDE TELEPHONE **0800 22 0151**  
Email: merseyp@mail.cybase.co.uk



## NEWS: UK

## US Names may be barred from underwriting

By Ralph Atkins,  
Insurance Correspondent

Lloyd's of London is set to exclude many of its US Names from underwriting next year unless state securities regulators back down in legal action they are pursuing against the insurance market.

The move will heighten further the tension in the Lloyd's confrontation with the securities regulators, whose actions have created a significant obstacle to the insurance market implementing its recovery plan this summer.

Last week, Lloyd's said US Names may have to be excluded from the recovery plan - which includes a £3.1bn (\$4.8bn) out-of-court settlement.

## LLOYD'S

LLOYD'S OF LONDON  
offer - because of the legal problems. In a memorandum yesterday, Mr Nicholas Demery, a lawyer in the Lloyd's legal services department, said US Names in 12

states would not be permitted to participate in syndicates in 1997 "unless their securities regulators can be persuaded to modify their positions".

Further increasing the difficulties for US Names, Mr Demery told agents at Lloyd's that Names in the 12 states would not be allowed to take part in "auctions" for syndicate participations beginning next month. That means the Names will not be able to sell for money the places on 1997 syndicates they are being forced to give up.

Mr Demery adds that Names in other states, besides the 12 specified by Lloyd's, will be allowed to take part on syndicates or in the auctions only "if Lloyd's is satisfied that it can permit such participation without undue legal risk".

The memorandum came as a delegation of US securities regulators completed a week-long visit to London as part of continuing negotiations with Lloyd's. Lloyd's said, however, that the move to exclude US Names had been under consideration for some time and was

not intended to increase pressure on the regulators. Last year, Lloyd's stopped recruiting new US Names.

A spokesman said the move was "defensive" and Lloyd's hoped a deal with securities regulators would allow it to treat US Names in the same way as those elsewhere in the world.

Lloyd's problems with the US regulators centre on allegations that investment in Lloyd's was mis-sold. According to yesterday's memorandum, regulators in 12 states

"have issued orders or are involved in ongoing proceedings taking the position that annual syndicate participations constitute securities". Lloyd's contests the allegations.

Lloyd's has 3,000 US Names, but only about 700 are still underwriting. It was unclear last night how many are in the states affected by the exclusion order. The states are Arizona, Arkansas, California, Colorado, Illinois, Missouri, Ohio, Pennsylvania, Tennessee, Utah, Virginia and West Virginia.

## UK NEWS DIGEST

## Police ban march in N Ireland

Police in Northern Ireland banned a parade by the fiercely Protestant Orange Order which had been planned for the Ormeau Road in Belfast on Sunday. The area suffered violence last year after marchers were allowed to pass through a largely Roman Catholic area. The decision to restrict the parade, commemorating the 80th anniversary of the Battle of the Somme, was condemned by Mr David Trimble, leader of the Ulster Unionist party, the largest pro-British party in Northern Ireland. Mr Trimble said that on Monday Sir Patrick Mayhew, chief Northern Ireland minister in the British government, would be in France for the commemoration of the battle. "I think it is rather invidious," he said.

John Murray Brown, Dublin

## Merger activity near peak

Merger activity in the UK is close to a record, says Mr John Bridgeman, director general of fair trading. The Office of Fair Trading considered 473 mergers in 1995, a 24 per cent increase on 1994 and only five fewer than in the record year 1987. The competition watchdog's resources have been stretched to the limit by the complexity of dealing with electricity and water mergers, which involve liaison with other regulators, and by the office's new role in monitoring new European Union rules on unfair contract terms.

Mr Bridgeman said while launching the office's annual report that his priority in competition policy was the elimination of cartels. The record £5.3m (£12.7m) fine imposed on 17 companies in the ready-mixed concrete industry last August had given the OFT's efforts a "tremendous boost", and "provided a timely reminder that the restrictive trade practices act is not the busted flush that some critics imply." Mr Bridgeman welcomed the government's latest commitment to reform the law on anti-competitive agreements and abuse of monopoly power. "I desperately want the government to press ahead with the reforms," he said. Robert Rice, Legal Correspondent

## Labour shifts on pensions

The opposition Labour party has abandoned its commitment to increase the real value of the state pension, marking a clean break with the policy it espoused at the last four general elections. The party yesterday made clear it could make "no new pledges on levels of expenditure" for state pensions before the next election. It was a new indication of the extent to which Mr Gordon Brown, shadow chancellor of the exchequer, is keeping a tight squeeze on Labour's spending plans. Despite increasing anger from left-wing Labour MPs about the diminishing value of the pension - now worth £97.75 (£149.50) per week for a married couple - the party has also shelved recent proposals to help poorer people in retirement. Its document indicated that Labour has no immediate plans to introduce a Minimum Pension Guarantee, one of the main proposals made three years ago by the party's Social Justice Commission. James Ede, Westminster

Lex, Page 22

## Women's pay catching up

Women are fast catching up with men on pay, says research from the Centre for Economic Performance at the London School of Economics. It says the hourly earnings of women who work full-time rose from 66 per cent of men's earnings in 1974 to 80 per cent in 1990-92. While the median hourly earnings of men grew by a third between 1973 and 1993, those of full-time women grew by more than twice as much. Ms Susan Harcourt, author of the report, says: "Women who worked part-time did not do as well as those in full-time employment, but they still experienced faster earnings growth than men. But the gap between the highest and lowest paid has risen for women as it has for men: which makes the real winners high-paid women who have seen their wages almost double in real terms since 1973. Those who have done worse - but who have still narrowed the gap with men - are part-time, low-skilled women." Andrew Bolger, Employment Correspondent

## Russian student stabbed

Detectives investigating the stabbing of a 17-year-old Russian student after England lost to Germany in the Euro 96 soccer semi-final on Wednesday have questioned two men. They were detained last night and questioned before being released on police bail. The student, Andriy Mokhot, should have flown home on Thursday at the end of his language school course. He was stable in an English hospital yesterday. He was walking with friends in Portlano on the south coast of England on Wednesday night when two youths asked if he was German. He was then stabbed five times even though he had explained that he was Russian. Police are treating the attack as attempted murder. Detective Chief Inspector Andy Bliss said: "We had a good response from the public and clearly there is a lot of public sympathy and embarrassment." PA News

## Economist to challenge optimism on investment

By Gillian Trill,  
Economics Correspondent

The controversy about whether British companies are investing enough will be inflamed next month by claims that the UK investment record is far worse than the government has recently stated.

Mr Stephen Bond, an economist at the Independent research group the Institute for Fiscal Studies, will publish a paper showing that the UK investment record over the past 35 years has been worse than those of the US, Japan, France, Germany and Italy.

The criticism provides a

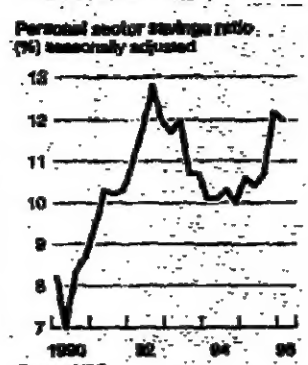
direct challenge to attempts by Mr Michael Heseltine, deputy prime minister, to trumpet the recent investment record. Earlier this month, a government report claiming to correct "fallacies" about investment asserted that UK investment as a proportion of gross domestic product had recently been higher than in France, Germany, Italy and the US. These claims were based on a measure of "business investment" compiled by the Organisation for Economic Cooperation and Development.

However, this measurement of business investment is believed by many economists - and some officials at the OECD

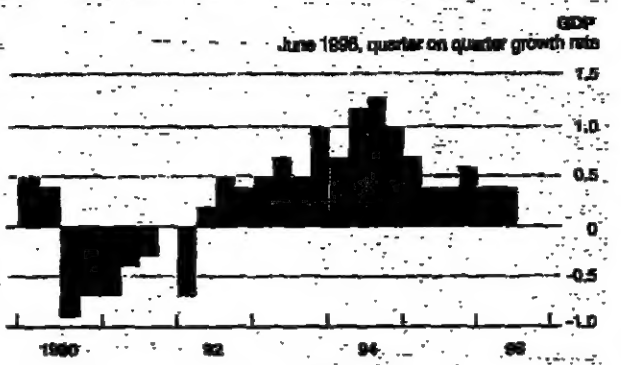
- to be an unreliable guide for cross-border comparisons. There are fears that recent changes in the UK economy such as privatisation mean that some former government investment is now recorded as private "business" investment, thus inflating the data. The government accounted for some 30 per cent of total investment in the economy 30 years ago, but now it represents only about 15 per cent.

Mr Bond's calculations, taking this into account and using OECD data, show that the UK has consistently invested less than the US, Germany, France, Italy and

## Consumer spending power stronger than expected



Japan over the past 35 years. The UK economy was given a twin boost yesterday when government statisticians declared that last year's current account deficit was half previous estimates while consumer incomes showed the



fastest rise since the late 1980s. Britain was in balance of payments deficit to the tune of £2.9bn last year, which was sharply lower than earlier estimates of £6.7bn, the Office for National Statistics said. Meanwhile separate figures

## Euro 96 leader to switch to ISL

By Jimmy Burns in London

The head of Euro 96 and senior English Football Association official, Mr Glen Kirton, has been appointed vice-president (football) of the Swiss-based ISL group which has been handling the core marketing of the soccer tournament.

The move pitches the one-time FA press officer into a strategic if risky role in the business of top international football, with one of the most ambitious and controversial marketing organisations in the game.

ISL has the exclusive marketing rights for the 1998

World Cup in France and the next European championship - Euro 2000 - to be held jointly in the Netherlands and Belgium.

The company is also bidding jointly with the German media group Kirch for marketing and broadcasting rights for the World Cup in 2002 which will be jointly hosted by Japan and South Korea and in 2006.

Mr Kirton, who has been serving as Euro 96 tournament director, is thought to have agreed to the new post before the start of the competition three weeks ago, although he is under contract with the FA until the end of December. "He

will be discussing his future with the FA nearer the time that his contract expires," a Euro 96 spokesman said last night.

Mr Kirton is thought to have indicated privately that after 25 years with the FA, he wanted to consider a new challenge in sport. According to a senior official at ISL, Mr Kirton has been in discussions on his new appointment for "some months". While refusing to detail his new salary, it is understood that Mr Kirton will be earning considerably more than the current £80,000 (£122,400) he is paid by the FA. His long-term future with

ISL may depend on the outcome of a continuing divisive debate within Fifa, world football's governing body, over the handling of marketing and broadcasting rights. ISL has submitted its joint bid for future World Cup contracts through Sports, the company owned by the Daxler family which in turn has a majority shareholding in ISL.

Mr Kirton's appointment forms part of a big reorganisation within ISL, with which the company is hoping to strengthen its market position in world soccer.

Football came good, Page 9

## Lourrho to float hotels and Africa trading interests

By Ross Timman in London

Lourrho yesterday confirmed plans to float off its hotel and African trading interests by the start of next year.

The plan to dismember the conglomerate created by Mr Tony Rowland is designed to leave Lourrho as a focused mining group under the wing of Anglo American Corporation, South Africa's largest company, which is already a leading shareholder with a 7 per cent stake.

To facilitate a flotation of the company's 24 hotels, Lourrho has agreed to buy back the 38 per cent stake in its five-strong Metropole chain from the Libyan Arab Foreign Investment Company (Lafico) for \$38m.

The stake was sold to Lafico by Lourrho, then headed by Mr Rowland, for £17.7m (\$27.5m) in 1992. Mr Rowland left the group last year after a boardroom battle. Now that Lourrho is to become a mainstream mining company, Mr Dieter Bock, the chief executive, plans to sell his personal 18 per cent interest in Lourrho to Anglo American, which holds an option over his shares.

Mr Bock said he would use these funds to "part of these funds to have a substantial stake, specifically in the African trading business".

Previously, Mr Bock had been expected to focus his energies on the hotel business. He now wishes to run the trading business, and take a 20 per

cent to 25 per cent stake in it. Lourrho will be re-named, so that the trading business can assume the Lourrho name, Mr Bock said. "I don't know whether I should keep a stake in the hotels," he added.

The three-way split supplements an earlier proposal to demerge the mining business. The company said advisers had concluded that would have triggered heavy capital gains tax liabilities.

Details of the plan were confirmed yesterday, alongside results for the half-year to March 31. Pre-tax profits rose by 15 per cent to \$50m.

It is understood that shareholder approval for the flotation of the hotel business may be sought as early as August, when Lourrho plans a shareholder meeting to approve the purchase of the Lafico stake. That would put the hotels on course for flotation in September. Analysts believe the business could fetch around £700m, although the figure would be reduced if the operation, which is currently debt free, were burdened with additional borrowings.

The stake in the Lafico stake will be Lourrho's starting point for 40 per cent to 64 per cent. But flotation of the hotels is expected to leave the rest of the group debt-free. Mr Bock said he hoped to complete the flotation of the trading business by the beginning of next year.

Results, Page 6; Lex, Page 22

## BUSINESSES FOR SALE

## ASTIKA AKINITA

INCORPORATED COMPANY OF REAL ESTATE CONSTRUCTIONS TOURIST AND RELATED ENTERPRISES

## PUBLIC CALL FOR TENDERS FOR THE SALE OF THE ASSETS OF THE COMPANY UNDER THE TITLE "HELLENIC DECORATIVE ROCKS S.A."

The incorporated company "ASTIKA AKINITA S.A." (43 Parnassios str., 105 64 Athens) as a special liquidator by virtue of resolution No 4292/1996 of the Athens Court of Appeal, of the limited liability company "HELLENIC DECORATIVE ROCKS S.A." (Hellenic Lapida sei) (hereinafter referred to as the "Enterprise")

## ANNOUNCEMENTS

A public call for tenders with sealed, binding offers, for the sale of the total assets of the Enterprise under special liquidation by virtue of article 464, L. 1892/1990.

## ACTIVITIES AND BRIEF DESCRIPTION OF THE COMPANY

The "enterprise" was founded in 1987 under the title "HELLENIC DECORATIVE ROCKS S.A." (Hellenic Lapida sei). The seat of the company according to its articles of association, is the Municipality of Hologaras, Prefecture of Attica.

The object of the company according to its articles of association is the prospecting, search, location, mining, cutting, processing and trade of all types of decorative rocks. Towards attaining its objective, the Company may: a) collaborate with any physical or legal entity having the same or similar objectives, and/or any manner by it participate in any firm with a similar objective under any corporate title. The company owns one factory located at Lamprossa, near the Municipality of Lapourea, Prefecture of Evia, which it operated up to March 30, 1996, when it came under the special liquidation provided by article 464, L. 1892/1990 by virtue of Decision No. 4292 of the Athens Court of Appeal by which "ASTIKA AKINITA S.A." was appointed special liquidator.

The assets of the company under liquidation include a fully equipped industrial unit, constructed on a site with a total area of 44,783 sq.m., and located at Lamprossa, Municipality of Lapourea, Prefecture of Evia, on the 15th km. of the Athens-Kyri regional road. The industrial unit consists of an industrial building with an area of 2,362 sq.m., a building housing the Power Corporation sub-station with an area of 148 sq.m., a unit for the recycling of industrial waste, pumping station, well, and other special installations, constructions and development of the surrounding area serving the operational requirements and security of the industrial unit.

## INVITES

any interested party to receive the offer memorandum and submit a sealed, binding offer accompanied by a letter of guarantee by a Bank operating lawfully in Greece, amounting to the sum of fifty million drachmas (Dr50,000,000) with the contents described in the offer memorandum.

## TERMS OF THE CALL FOR TENDERS

- The public call for tenders will be carried out according to the provisions of article 464, L. 1892/1990 which was added to the law by virtue of the provision of article 14, L. 2004/91, as it has been amended, completed and as it currently applies, the terms included in the present call for tenders and the terms of the offer memorandum, which interested parties may obtain after submitting a pledge of confidentiality in writing.
- In order to participate in the call for tenders, interested parties are invited to deliver a sealed, binding offer in writing by 11:00 on Monday, July 22nd, 1996 to the Athens notary public Mrs Maria Saxon-Vlessaki, 57 Akadimias str., 5th floor, 106 78 Athens, tel.: (+301) 361.0623.
- The offer and the letter of guarantee must be delivered in a sealed, opaque envelope by the interested party in person or by his authorized representative.
- The offer must mention clearly the amount offered for the purchase of the total assets of the company under liquidation and must not contain any terms, options or vague phrases which might create uncertainty as to the amount or the manner of payment of the sum being offered or other matters related to the sale.
- Overbid offers will not be accepted and will not be considered. The binding nature of the offer will apply until the award of the sale.
- The assets of the company, and all the elements of which they consist, such as real estate, movable objects, rents, claims, bills, rights, etc. will be sold and transferred "as and where they are", i.e. in their real and legal condition and at the place where they are located on the date of signing the contract of sale.

- The liquidating company and the creditors representing 51% of total claims against the company (para. 1, article 464, L. 1892/1990 as it currently applies) are not liable for any legal or real defects or the lack of any attributes of the objects and rights being sold, nor are they liable for any omissions or inaccuracies contained in the offer memorandum and any correspondence.
- Interested potential purchasers are obligated, under their own supervision, and by their own means, expertise and personnel, to investigate and acquire a personal perception of the objects being sold, and to consider in their offer that they are fully informed as to the real and legal condition of the assets under sale.
- The liquidator and the creditors mentioned in para. 7 above are entitled, according to their own judgment, to reject offers containing terms and options, or contain the other omissions mentioned in para. 4 of the present, regardless of whether they are superior to other offers as regards the amount being offered.

In any case, the creditors have the right, in their judgment, to reject offers that include terms or clauses, even if these are superior to other offers, as well as to consider these terms not written and thus the offer remains binding according to the rest of its content (article 2, para. 3, L. 2302/1995).

10. In the event that the successful bidder violates its obligation to come forward and sign the relevant contract within ten (10) days from the invitation by the liquidator and observe the obligations arising from the present announcement, the letter of guarantee is declared forfeited in favour of the liquidating company, towards covering all its expenses of any type and its services, as also any direct or indirect damages, without the necessity of proving specific damage, and as a penal clause in favour of the company, deemed as having been submitted with the offer, so that it can be collected from the Bank issuing the guarantee. The letters of guarantee will be returned, following the evaluation report of the liquidator, and especially to the successful bidder following the payment of the amount and the drafting of the payment order.

11. The award of the offer will be broken by the notary public mentioned above, at his office, at 13:00 on Monday, July 22nd, 1996.

12. The successful bidder will be the party whose offer will be judged by the liquidator and approved by the creditors mentioned in para. 7 of the present, as being the most advantageous for the "enterprise" creditors.

13. The liquidator will notify the successful bidder in writing of the obligation to come forward to the place and at the time determined in the notification, for signing the contract transferring the assets, according to the terms of the offer and any improved terms that may be indicated by the creditors and agreed with the successful bidder.

14. All costs from the participation in the tender and the transfer (tax, stamp duty, notary public's fees, registrar of mortgages, V.A.T., announcements, etc.) will burden exclusively the bidders and the successful bidder accordingly.

15. In the event of part of the purchase price being on credit, the successful bidder will be obligated to provide any guarantee that may be requested by the liquidator according to his own, exclusive judgement, and will be burdened with all related expenses, costs and fees required for the formation of such guarantee and their liquidation.

16. The liquidator and the creditors will not bear any responsibility or liability against those who will participate in the tender as regards the evaluation of the offer, their recommendation of the successful bidder, the decision for the rejection or cancellation of the tender and any other decision relevant to the procedure and realization of the tender.

17. The present announcement has been drafted in the Greek language and translated into the English language. In every instance however, the Greek text will prevail.

Interested parties may collect offer memorandum and receive other information from Mr. Gerassimos Christopoulos and Mr. Vassile Arvanitidis, 43 Parnassios str., 105 64 Athens, tel. nos: 326.6115 and 326.6110, fax no: 326.6118.

London Underground's long-standing deficit is turned into surplus  
Rail chief optimistic despite strikesBy Charles Batchelor,  
Transport Correspondent

The first of what could turn out to be a summer of train drivers' strikes started on the London Underground this week, just as Operation Hat, the most ambitious refurbishment of the ageing network in recent times, gets under way. The next strike by Underground drivers will be next Wednesday.

The capital's commuters and tourists face the prospect of several months of disruption. But Mr Peter Ford, the chairman of London Transport, believes these difficulties conceal a steadily improving situation for his organisation.

The long-running financial deficit was turned into a surplus of £24m in 1994-95 and increased five-fold to £130m last year. Mr Ford's aim of covering London Transport's own core investment needs - excluding big projects such as the Jubilee Line extension - within five years is well on the way to being realised.

This improvement has been in part due to rising passenger numbers, up 3 per cent on both Underground and buses, and in part to tight control of costs. The New York subway and Paris Metro, in contrast, meet just half of their funding needs. Attaining self-suffi-

ciency forms an important strand of Mr Ford's ambitions for London Transport. He believes that the organisation's role should be to act as co-ordinator and regulator of all transport services in the capital - bus, light rail and Underground.

"We already have a wide transport function," he says. "We ought to be the authority to mastermind the long-term transport plan for London. The vision I have is for a body which does the planning, the marketing and the regulation."

Mr Ford says the model for such a role can be found in many European cities, where the municipal authority sets criteria for transport services which are contracted out to private operators.

The privatisation of London's buses also provides a parallel. They have all been sold to private operators but, unlike the rest of the country, they remain regulated. London Transport remains responsible for co-ordinating services and selecting private companies to run routes or groups of routes.

But making more effective use of London's buses by creating priority lanes and enforcing parking curbs is still dependent on a large number of officials and organisations, including the capital's traffic director, parking director,

police and 32 London boroughs.

Having sold the buses, London Transport's main operational task is running the Underground. If London Transport took over a regulatory role it would almost certainly have to dispose of its Underground operations to avoid inevitable charges that it was favouring its own directly managed part of the transport network. But Mr Ford will not comment on the prospects for a sell-off.

Mr Ford was appointed after the man widely expected to take over the job, the then chief executive Alan Watkins, was passed over for criticism of government cuts in London

Transport's budget. A former chairman of P&O European Ferries, Mr Ford says that as a publicly funded organisation London Transport must get on with the people who pay its bills.

Public criticism of the government has stopped, and management has continued with the task of maintaining and upgrading a system which has suffered severe neglect. Mr Ford believes his ambitions for London Transport mirror a growing acceptance of the idea that the capital needs a co-ordinated transport plan. First, a pressure group combining private and public sector interests, has called for such a plan.

## APPOINTMENTS WANTED

## PRODUCT SPECIALIST

A leading City-based international investment company requires a Product Specialist for the Asia Pacific Unit within International Credit Trading (ICT). The position demands a technically competent professional with a knowledge of multiple bond markets and the potential to develop new local markets for the product, who will be responsible for sourcing bonds from within Japan. The ideal candidate will be familiar with a variety of structured documents and structures and have experience in fixed income-equity sales to Asian clients. Salary c. £37,000. Applicants: aged 25 to 30 and educated to degree standard, should have minimum four years' experience gained in a legal and securities environment, be fluent in Japanese and English and have full knowledge of Japanese and English and have full knowledge of Japanese and US culture.

Please write, in strictest confidence, enclosing full curriculum vitae to Box AS990, Financial Times, One Southwark Bridge, London SE1 9HL.

مكتبة المجلد



# CFF investors force delay of restructuring vote

By Andrew Jack in Paris

The board of Crédit Foncier de France, the troubled property lender, yesterday agreed to delay voting on a restructuring plan for the bank after pressure from leading shareholders.

The action came after Templeton, the US investment fund, yesterday called for a delay in the approval of the group's accounts.

At Crédit Foncier's annual general meeting in Paris, the fund, which is the largest shareholder with a stake of nearly 9 per cent, said it wanted

more time to gather additional information on the accounts after concerns about the FF13.5bn (\$2.64bn) in provisions announced by Crédit Foncier for 1995, which would wipe out most of the group's capital.

Its demand led to a suspension of the meeting while the Crédit Foncier board met in emergency session. The directors resolved to proceed with a vote on the accounts but to delay a

vote on proposals for a very large reduction in the capital, which would keep the group solvent.

When the meeting resumed the

bank only narrowly won acceptance for approval of the accounts by a vote of 52.95 per cent in favour.

Templeton's concerns were echoed by Ms Colette Neuville, head of Adam, the association for the defence of minority shareholders, who represents more than 1m votes from investors, and who last week lost a court

battle to delay the annual meeting. The investors have questioned the size of - and explanations for - provisions which dragged Crédit Foncier into a loss of FF10.5bn for 1995.

The charges stood in stark contrast

to strongly positive figures in both internal and external valuations on the value of the group made in the second half of 1995 before a proposed merger - abandoned because of shareholder opposition - with one of its leading subsidiaries.

Mr Jean-Pascal Beaufret, deputy governor of the bank, told yesterday's meeting Crédit Foncier had already used FF13.4bn of its FF20bn emergency line of credit from the Caisse des Dépôts, and had been "virtually bankrupt" since the end of last year.

The meeting came the day after a

substantial minority of investors in Eurotunnel, the Anglo-French operator of the Channel rail link, voted against approval of the group's accounts and the nomination of a number of directors to its board.

Only 62.5 per cent of Eurotunnel's shareholders approved the accounts, in a demonstration of their role as a counterbalancing power to the group's creditor banks, with which it is negotiating a restructuring.

This level of opposition would be sufficient to block the plan under both UK and French law.

## Four Seasons in quest to expand Regent chain

By Bernard Simon in Toronto

Toronto-based Four Seasons Hotels has launched a search for outside investors to help expand its wholly-owned Regent International chain, which operates some of south-east Asia's best-known luxury hotels.

The search is expected to result in the creation of a listed company whose assets would include Regent's existing hotels as well as properties contributed by the new partner, which would have a sizeable minority stake.

Four Seasons has begun talks with a number of Asian property investors who may be keen to consolidate their hotel properties under a single management group and brand name.

Mr John Richards, Four Seasons' executive vice-president, said yesterday: "We would assume that this person would have the muscle not only to add assets to Regent but the ability to grow it quickly."

The new partner would have the benefit of an established brand name. According to Mr Richards, "there are few situations where people can acquire the use of a well-known brand and move it into their assets that quickly."

Regent operates 10 hotels,

with another five under construction. Four Seasons estimates the chain's value at about US\$200m and says it has achieved strong returns.

Regent, based in Hong Kong, has a separate management team from the parent.

The Canadian group has hired Goldman Sachs, the US investment bank, as an adviser. A deal is expected by the end of the year.

If all goes to plan, the Regent transaction will be similar to Four Seasons' arrangement with Prince Al-Walid bin Talal Abdullaziz, the Saudi Arabian investor.

Four Seasons bought a 26 per cent stake in the Canadian group two years ago, and has become an active participant in its expansion.

He helped finance a \$40-million Four Seasons resort under construction in Carlsbad, California, and also bought a 50 per cent stake last December in the Four Seasons Inn on the Park in London. Further joint ventures in other parts of the world are to be announced soon.

About half a dozen property investment groups in Singapore, Malaysia and Hong Kong are expected to show an interest in Regent. Another possible candidate is the Sultan of Brunei, who owns about 10 hotels managed by other groups.

## ITT, Planet Hollywood in casino link

By Richard Tomkins in New York

ITT, the US leisure group, is teaming up with the Planet Hollywood restaurant company to open a chain of "theme" casinos featuring movie memorabilia and guest appearances by screen stars.

The deal will link Planet Hollywood with Caesars World, ITT's casino subsidiary, which it bought for \$1.7bn at the end of 1994 as part of a big foray into the gambling business.

ITT said the joint venture would build, develop, manage

and operate Planet Hollywood themed casino hotels in Las Vegas and Atlantic City in the

US, and eventually in other resorts around the world.

The venture is due to go into business later this year when it starts building the Las Vegas and Atlantic City casino hotels on land already owned by ITT. The casinos are expected to cost \$1.5bn.

The development reflects a growing trend among US casino operators to counter competition by attracting new types of customer. Some casino developments in Las Vegas have sought to attract family audiences by providing attractions for children.

The Planet Hollywood mirrors the recent arrival of another new type of casino in Las Vegas: the Hard Rock

Hotel and Casino, opened last year by Mr Peter Morton, co-founder of the Hard Rock Café chain.

Like the Hard Rock Cafés - now owned by the UK's Rank Organisation - Mr Morton's Hard Rock Hotel and Casino features loud rock music and rock memorabilia, and attracts a younger audience than most other casinos.

Mr Rand Araskog, ITT's chairman and chief executive, said the Planet Hollywood name and logo were among the most widely recognised trademarks in the world, and the joint venture would give visitors to Las Vegas and Atlantic City "a must-see attraction into the 21st century".

In Las Vegas, the joint venture will build a 3,200-room Planet Hollywood hotel and a 100,000 sq ft casino on a 34-acre ITT site adjacent to the Desert Inn.

In Atlantic City, it will build a 1,000-room hotel and a 100,000 sq ft casino on the boardwalk just north of Caesars Atlantic City.

ITT is funding the projects in return for an 80 per cent equity interest in the joint venture. Planet Hollywood will contribute an exclusive licence to the Planet Hollywood name in the venture, and has granted ITT a warrant to buy 6 per cent of its own shares at \$25 apiece.

## Cater Allen mulls fund manager buy

By Nicholas Denton

Cater Allen, the banking and broking company, said yesterday it was considering acquiring a fund manager company as part of its expansion into retail financial services.

The diversified group, which was reporting a 44 per cent fall in pre-tax profits, said new capital adequacy rules for its money market activities had liberated \$25m for investment in existing businesses or new

acquisitions.

Cater Allen - which last year acquired a stockbroking operation and began offering combined banking and broking services - is now "going pretty much flat-out" in retail financial services, said Mr James Barclay, chairman.

Cater Allen, like many banks and investment banks, is seeking to expand in fund management, which has in the past decade provided the steady profits growth which volatile

broking activities have lacked.

Analysts reacted positively to the group's new direction and to its decision to make full provisions of \$5.5m for costs arising from its involvement in Lloyd's and its withdrawal from the insurance market.

Cater Allen's stock lending business held up better than expected to the establishment of the gilt repo market in January, and the consequent decline in margins, which was not fully compensated by an

increase in volume.

Nevertheless, these factors, and unfavourable money markets for the discount house operation, resulted in a decline in pre-tax profits in the year to April 30 from \$25.8m to \$14.6m.

The shares shrugged off the headline figures to rise 18p to 397p. Kleinwort Benson, house broker, said the p/e ratio of 7.8 and yield of 9.8 per cent compared favourably with that of Gerrat & National, its closest competitor.

## Calluna in £3m placing as losses widen

By John Authers

Production delays led to a pre-tax loss of \$4.58m for Calluna, the miniature disc-drive manufacturer which floated on the USM in October 1994.

Calluna also announced a \$3.05m share placing, Albert E. Sharp, the broker, placed 2.7m shares at 113p each with institutional clients.

The shares ended 1p below the placing price at 112p, having fallen 7p on the day. They were floated at 99p.

The figures were for the 12 months to March 31. Losses in the previous 29-week period had been \$2.16m.

Calluna said the loss reflected "undoubtedly operational difficulties", which had caused delays in bringing its

300MB disc drive into full production. A strategic decision to "jump-start" a 340MB product from its competitors, and its attempt to launch a 500MB disc drive had also depressed profits. Turnover rose to \$2.87m (\$247,000).

However, the company made an optimistic forecast, predicting that it would reach break-even on a monthly basis

before the end of this financial year, thanks to the introduction of the 500MB product.

The placing proceeds will be used to finance the early manufacturing stages of the new disc drive, and to develop an isolator for computer viruses. Calluna is looking to join the main market at the end of the year, and is considering a Nasdaq listing.

## A case of rights over reason?

A flurry of rights issues has created the illusion that companies are once more keen to tap shareholders for cash.

But a flock of swallows does not a summer make: companies tapping the market for cash may have exhausted the options. Buyers, beware.

"I cannot see why people do rights issues," says Mr Brian Taylor, chief executive of Life-Raft and parachute maker Wards Stores. "I prefer to do things for cash. If I had used up my cash pile, in these market circumstances, I would rather borrow than make a share issue."

A leading corporate financier confirms the logic of his judgment. "With rates at the present level, the more debt you can put in, the more earnings enhancing it is going to be."

Yet the number and size of cash calls upon shareholders is rising. In the first five months of this year, companies raised \$1.34bn from 36 share issues seeking more than £1m. In June, companies announced a further 18 rights issues, seeking £1.45bn. In the first five months of 1996, there were 25 issues, raising only \$358m.

These sums are trivial compared with the peak year of 1991, when companies hoo-

### Ross Tieman wonders why cash calls are suddenly so popular

vered up £10.1bn to repair recession-ravaged balance sheets, and 1993, when they skimmed £11.4bn off a booming market.

For the past couple of years, companies in some sectors have had more money than they knew how to spend. Utilities have been paying special dividends and mounting share buy-backs to use up surplus cash and enhance earnings. The list also includes blue-chips such as Guinness and Barclays bank.

Rupert Faure Walker, a director of merchant bank Samuel Montagu, suggests the decline in Britain's inflation rate has cut companies' need for capital. "With high inflation you needed more and more cash to fund working capital and capital investment, just to stand still," he says.

Even so, in the final quarter of last year, company borrowing began rising again.

When a company's balance sheet is in good shape, any company planning an acquisition calls first on its bankers for funds.

Williams Holdings bought

French fire equipment companies Sidel and Sidelles last month. To complete the deal, it allowed gearing to reach 100 per cent before the sale of its electronics business and strong cash flow began to eat into the interest bill.

Examination of recent cash calls shows that circumstances have often closed off the borrowing option. In a few cases, however, such as that of British Biotech this week, there was an element of opportunism - taking advantage of the buoyant share price.

Cowie was one which had no option. While its purchase of British Bus Group was partly financed by borrowing, it also made a 1-for-3 rights issue, raising £186m net. British Bus had begun life as a management buy-out backed by venture capital. It had negative net assets. Only by issuing new shares could Cowie afford the necessary goodwill write-off.

Cowie was obliged to pay standard underwriting commissions of 2 per cent which, with other fees, pushed the

issue's direct costs to \$4.9m. However, corporate financiers do claim to detect some signs that equity issues are becoming a more competitive source of funds.

"On rights issues over £100m discounts have been coming down over the last three or four years," says one adviser. Cowie's shares were offered at a 12.5 per cent discount to the market price. But the stability of the market has contributed to discounts as low as 7.5 per cent.

Larger, more aggressive institutions may now be willing to cut commissions, provided they are given improved access to the shares they wish to buy - for example, through a vendor placing rather than a rights issue.

But rights issues are a last resort, so institutions treat them with caution. Premier Farnell faced a rebellion by some shareholders earlier this year over its American acquisition plans. This month, BBA's ambitions to bid for Lucas Industries were frustrated when institutions refused to underwrite a share issue.

So rights issues face a double hurdle: high costs and institutional scepticism. In this climate, a summer of cash calls seems a distant prospect.



## Dr Smith reassures C&W shareholders

By Alan Cane

Dr Brian Smith (above), chairman of Cable and Wireless, yesterday picked his

amulet with good humour through the potential minefield of the group's annual general meeting, bringing to a close the most traumatic year in C&W's history.

He was questioned on the size of the pay-off to former chairman Lord Young and former chief executive Mr James Ross, dismissed last year after a public disagreement over policy, and on the quality of the performance of the group's non-executive directors.

One disgruntled shareholder described corporate governance during the period leading to the election of Lord Young and Mr Ross as akin to a Whitehall farce. Another queried the \$355,000 house

owned by the C&W subsidiary Hongkong Telecom and occupied by its chief executive Mr Liang Cheung.

One shareholder, annoyed by the recent slide in the share price, asked why Dr Smith and his fellow directors had not "stayed in the room" with their equivalents at British Telecommunications until merger terms had been agreed.

In defence of the non-executive directors, he said they had acted decisively as soon as the extent of the rift between Lord Young and Mr Ross had become apparent.

He regretted the failure of the BT talks: "A painful conclusion especially after so much hard work and the share price clearly reflected our dis- appointment. The proposal was a good one and well worth investigating, but the vision proved an illusion," he said.

## US casts blight over Bula as loss deepens

By Jane Martinson

Problems in the US caused pre-tax losses at Bula Resources, the Dublin-based oil exploration and production company, to deepen 13 per cent to £3.9m (\$4m).

Bula was forced to make a £3.68m charge because of the low level of productivity at a site in south Texas, while another well had been ruined by "watering out".

The downturn in gas prices in the US also hit sales, which plunged 41 per cent to £302,000 (£512,000) in the year to December 31.

The company unveiled its full-year results after the market closed on the last day it was allowed to report because of difficulties over its complex dealings in Siberia.

An extraordinary general meeting to try to clear up

uncertainties over its involvement with the Russian Transcontinental Financial-Industrial Corporation had delayed the proceedings until yesterday, said Mr Pat Mahony, finance director.

Bula moved to clear up its involvement earlier this month by severing its links with the Russian corporation and demanding the departure of two directors from its board.

The settlement reached - \$2.1m over an 18-month period - will be paid through the Russian corporation stake in Bula and will therefore not warrant a goodwill write-down, said Mr Mahony.

The company has said that, following the settlement, a preliminary agreement for a joint venture has been signed with Aki-Otyr, a joint stock company with four oilfield licences in western Siberia.

## BBBIOTECH

### INVEST IN CUTTING EDGE BIOTECH DRUGS



- BB BIOTECH is one of the world's largest biotech investors. Net Asset Value is currently CHF 640 mm.
- BB BIOTECH has invested largely in US-based companies. Investments range from large global biotech companies such as AMGEN to emerging companies such as ARRIS and SUGEN. During the first four months of 1996, BB BIOTECH's net asset value increased by CHF 51 mm.
- In 1996, BB BIOTECH sold its core position in BIOGEN at a large profit.
- The position in BIOCHEM PHARMA was substantially increased. BIOCHEM PHARMA discovered Eptivir, also known as 3TC, the most powerful AIDS drug on the market. This drug has recently been approved for marketing in Switzerland.
- Over the next years, AMGEN, GENZYME and BIOCHEM PHARMA will achieve substantial earnings acceleration.
- BB BIOTECH continues to invest up to 30% of the portfolio in smaller capitalised companies. Since 1994, the investment in VERTEX increased by 300%.
- BB BIOTECH is managed by a molecular biologist. The working board, including a Nobel laureate, has many years of experience in the pharma and biotech industry.

Invest in BB BIOTECH AG and participate in the growing biotech industry.

BB BIOTECH AG-bearer shares (security number 144,158) are permanently traded on the Zurich Stock Exchange. Every Bank or Broker will take your order.

For the latest four-month report, please contact

BELLEVUE ASSET MANAGEMENT AG - FAX 041 790 30 81

GRUNDSTRASSE 12, 6343 ROTKREUZ

### RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividends corresponding dividend	Total for year	Total for year
Bula Resources	3,002 (0.512)	3,814 (0.444)	0.302 (0.451)	-	-	-	-	-
Calluna	2,877 (0.847)	4,988 (2.181)	8.11 (4.41)	-	-	-	-	-
Cardiff Property	0.285 (0.806)	1,115 (1.111)	32 (31.1)	0.9	Aug 3	0.25	2.75	2.75
Cater Allen	-	14,574 (25.53)	33.1 (58.7)	21	Aug 6	21	30	29
Cathay Asia	28.5 (17.8)	4.84 (2.78)	0.036 (0.058)	-	-	-	-	-
Formosa Holdings	25.6 (37.2)	21,364 (7,354)	88.981 (32.17)	-	-	-	-	-
Harrods Ltd	9.1 (1.1)	0.053 (1.1)	10 (1.1)	-	-	-	-	-
Health (Summit) & Sons	9.64 (7.36)	0.283 (0.843)	22.7 (19.4)	4	Aug 12	4.5	7	6
Jefferies Bros & Co	8.95 (0.91)	0.283 (0.293)	3.1 (3.3)	2.5	July 26	2.5	6.35	6.35
Joseph (London)	-	2.4 (1.44)	27.8 (17.9)	15	Aug 6	14.25	19.5	17.85
Kennedy Wilson	21.4 (108.3)	0.8794 (13.349)	2.46 (14.1)	-	-	-	-	-
La Crosse	48.5 (45.1)	0.354 (0.341)	3.2 (3.1)	-	-	-	-	-
Landon & Mott	2.58 (2.75)	3,134 (3,581)	6.2 (6.1)	-	-	-	-	-
London & Mott	1,035 (1,002)	604 (52)	41 (32)	2.25	Oct 1	2.25	5.25	5.25
London & Mott	0.457 (0.38)	0.089 (0.056)	0.7 (6.3)	-	-	-	-	-
Madison Property	33.74 (37.47)	0.1594 (0.325)	0.8 (1.8)	-	-	-	-	-
Midland & Scott Ross	28.62 (43.08)	1.221 (2.671)	11 (18.1)	-	-	-	-	-
Supery Commodities	5.1 (13.87)	0.411 (0.972)	1.5 (3.57)	-	-	-	-	-
Supery Commodities	7.52 (7.86)	1.31 (1.13)	3.97 (3.41)	1.4	Aug 9	1.4	2.9	2.9
Supery Commodities	0.577 (0.786)	0.1051 (0.155)	0.471 (1.1)	-	-	-	-	-
Supery Commodities	10.08 (18.94)	2.54 (2.5)	0.43 (3.88)	1.764	Oct 31	1.764	2.435	2.22
Supery Commodities	2.664 (2.38)	6.359 (5.589)	-	-	-	-	-	-
UK Land	-	-	-	-	-	-	-	-

Investment Trusts

Windsor Group Japan: 7 notes to May 31 106.1 (1.004) (1.004) (1.004) (1.004) (1.004) (1.004) (1.004) (1.004)

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. After exceptional charge. After exceptional credit. 10% increased capital. \*Comparative for 9 mths. 4/9m stock. 5/9m stock. \*Residual 1.25p of foreign income dividend. \*\*Payment in French currency. †Gross net income.



COMPANIES AND FINANCE

# Wickes suspends two over accounting query

By Andrew Taylor and Rose Tieman

Two senior managers have been suspended at Wickes, the DIY retailer, pending the outcome of an independent investigation into alleged accounting irregularities.

The two are Mr Les Rosenthal, group trading director, and Mr Chris Miles, commercial director of the UK retailing arm. Neither is a main board director. The company said both men were co-operating fully with Price Waterhouse, the accountants heading the investigation, but otherwise

would have "no further dealing with any supplier, customer or member of staff throughout the investigation".

The investigation was launched following a company announcement on Tuesday that it had uncovered serious accounting problems which had resulted in a significant over-statement in 1995 profits and shareholders funds.

The company has alleged that benefits arising from cash rebates paid to Wickes by suppliers to assist with promotions were included in accounts before they should have been.

Mr Stuart Stradling, Wickes finance director, said: "It is a problem of timing. There has been effect on cash flow."

The amount that group operating profits may have been over-stated has been estimated to be at least £15m-£20m over several years.

It was claimed yesterday that Mr Henry Sweetbaum, who this week resigned as chairman and chief executive of Wickes, had assured an institutional investor in March that the company was accounting properly for advance payments from suppliers.

Mr Bernard Clark, investment

director at Hill Samuel, said he sought and received assurances from Mr Sweetbaum that all was in order.

"We got wind of the fact that there might be some supplier discount problems about six months ago," he said. These had been brought to his attention by a Wickes supplier in which Hill Samuel was also an investor.

Mr Clark raised the matter at a meeting on March 11 with Mr Sweetbaum and Mr Stradling. "We were assured by Mr Sweetbaum that no profit was taken for supplier credits until the turnover targets had been met," he said.

Mr Clark said all the answers to his questions were provided by Mr Sweetbaum. Mr Stradling, who joined Wickes as finance director last year, said nothing.

It is understood that in the autumn of last year Mr Stradling, together with Arthur Andersen, the group's auditors, instigated more rigorous audit procedures including for suppliers contribution agreements.

Mr Clark added that he had called Mr Sweetbaum in New York in May and was once more assured that Wickes' treatment of supplier discounts was in order. Mr Sweetbaum

was not available at his London home to comment.

Hill Samuel nominees have held shares in Wickes since it was floated a decade ago. It now holds 23m shares, some 6.1 per cent of the total. Their value dropped by £9.7m to £15.8m after the shares slumped 40p to 60p before they were suspended on Tuesday.

Wickes said last night that investigations into the extent that profits had been over-stated were unlikely to be completed in time for the share suspension to be lifted next week.

Weekend Money page 11

## Prospects darken for Century mine

The prospects for RTZ-CRA's A\$1.1bn (£500m) Century zinc mine project in northern Queensland darkened yesterday after key Aboriginal groups, which have a native title claim over the site, failed to reach a decision on a proposed settlement being offered by the Anglo-Australian mining group.

The United Gulf Regional Aboriginal Council met to discuss the situation yesterday, but broke up without reaching a conclusion. The Council is understood to have set another meeting date for July 7. However, RTZ-CRA was adamant last night that it would not budge from its June 30 deadline for reaching an agreement. Last night, the mining company declined to make any comment on the project's chances, but insisted: "We do want an answer by the end of the day on Sunday."

RTZ-CRA decided to go ahead with the project late last year, when it believed that previous pastoral leases granted over the land had extinguished any chances of a native title claim. However, the High Court subsequently ruled that the Wazany people's claim, covering around 287 hectares of land, could be registered. Under Australia's new Native Title Act, once a claim is registered, a lengthy formal negotiation process is triggered. CRA resumed talks with the Aboriginal group, and the two sides appeared to be making some progress, although controversy still surrounded the path of the planned 300km slurry pipeline.

Given more encouraging signals, RTZ-CRA directors decided to postpone a decision to stop expenditure on the project in late-May, but set June 30 as the final deadline.

Nicki Tait

## Alain Soulas moves to ASW

Mr Alain Soulas, the ousted chief executive of Arjo Wiggins Appleton, the troubled Anglo-French paper group, has been appointed chief executive of ASW Holdings, the Cardiff-based steelmaker.

Mr Soulas left Arjo Wiggins abruptly in March with a £1.3m severance package after a year in which pre-tax profits fell from £217m to £72m, including a £12m of restructuring costs.

His appointment at ASW is as successor to Sir Alan Cox, who is retiring in August after running the company since it was formed in 1981. ASW reported a £4.9m trading loss for 1995 and put three businesses up for sale in March to help cut costs.

"We appointed Mr Soulas because he has considerable experience running a big company and his personal qualities made him a good candidate," said Mr Roger Evans, ASW personnel director.

Joan Gray

## Clyde has 55% of Crusader

Clyde Petroleum's ploy to speed up its takeover of Crusader, the Australian energy group, appears to have paid off. The UK-based independent oil company announced yesterday that it had won 55.7 per cent of Crusader's shares.

Earlier in the week Clyde had offered an enhanced price per share of A\$1.67, up from A\$1.62, if it held a controlling stake by the close of business yesterday. On Monday the group will declare its offer unconditional after Triton Energy, which initially held a 48.9 per cent stake in Crusader, accepted the deal. The takeover offer remains open for acceptance until July 12.

Jane Martinson

## Thames in homes joint venture

Thames Water is moving into housebuilding. It is forming a joint venture, St James Homes, with Berkeley Group, the executive homes builder. St James will develop a number of Thames Water sites, as well as other sites in London and south-east England.

The two companies have worked together to redevelop a 130-acre former reservoir site at Barn Elms, south-west London. Berkeley is also carrying out a residential development at Thames Water's former headquarters building in Islington.

Thames said Berkeley's expertise in house building would increase the development value of redundant sites no longer required for operational purposes now the Ring Main around London is built.

Andrew Taylor

## Cathay Intl advances to £4.8m

Revenue from its two hotels in Shenzhen and Beijing continued to increase, lifting pre-tax profits to £4.8m at Cathay International, the investment and development group. This compares with £2.78m for the nine months to end of December 1994, when the group changed its year end.

Turnover was £28.5m for 1995, against £17.5m last time. Earnings per share fell from 0.056p to 0.036p after the tax charge almost doubled to £2.36m (£2.23m) and minority interest payments rose from £1.32m to £2.23m.

## GPG Australian expansion

Guinness Peat Group, the strategic investment company, hopes to acquire a 60 per cent stake in Ballarat Brewing Company via a A\$2.4 share cash offer for 50 per cent of each members' ordinary shares.

Guinness Peat already controls 15.7 per cent of Ballarat's shares and intends to make market purchases to take this to 19.9 per cent. It expects the maximum consideration to be A\$25m (£15m) which it will meet from existing cash resources.

## Jones & Shipman plans pay-out

Jones & Shipman, the abrasive tool manufacturer, returned to the dividend list as it moved from a £200,000 loss into a £1.73m pre-tax profit in the year to March, marking its recovery from the recession in the machine tool industry.

Directors said more efficiency and volumes plus a favourable product mix led to a gross margin of 28 per cent; the profit last year eliminated the accumulated deficit on the profit and loss reserves and the group finished the year with £792,000 in the bank. Sales were up from £15.4m to £19.4m while operating profits rose from £97,000 to £1.73m.

## Capitol Group seeks £2.74m

Capitol Group plans a placing and open offer of 2.4m new shares at 125p each, the basis of offer to raise £2.74m net.

It said the proceeds would be used to provide working capital for the Uniformed Guardians division which has been significantly enlarged through acquisition and eliminate group debts.

## Partridge improves

Improved trading conditions and strong demand for its antique furniture, clocks, and paintings helped Partridge Fine Arts to report a 16 per cent rise in interim pre-tax profits to £1.31m, with operating margins rising to 18.3 per cent against 15.5 per cent. The improvement was struck from reduced turnover of £7.52m (£7.66m) for the six months to April 30.

The interim dividend is maintained at 1.4p; the final may be increased if the improvement continues for the full year.

## TT offer for Johnston rebuffed

TT Group, the fast-growing manufacturing conglomerate, suffered a rebuff yesterday when its tender offer for a 29.9 per cent stake in Johnston Group, the family-controlled engineer, failed. TT said yesterday it had only received five acceptances for 4.5 per cent of the shares at the offer price of 50p a share.

TT now holds a 7 per cent stake in Johnston, but will probably sell the shares and continue seeking other acquisitions. It had signalled in March that it could spend up to £140m on expanding its manufacturing activities over the next year. Johnston's board had said the offer "grossly undervalued" the company, in which the Johnston family holds a 51 per cent stake.

TT's announcement appeared after the market closed yesterday. Johnston's shares were unchanged at 50p on the day, up from 37p on June 6, the day TT said it would tender for the stake.

Simon Kuper

## Lonrho unveils three way split

By Rose Tieman

Lonrho yesterday unveiled a 15 per cent rise in pre-tax profits to £20m, alongside plans for a three-way split of its hotels, mines and trading businesses.

An overall 11 per cent increase in operating profit, to £89m, benefited from an improved performance from hotels, and the trading businesses in both Britain and Africa. Mines suffered a modest downturn.

Although the interim dividend is unchanged, at 2.35p, the shares gained 3p to 185p, helped by the planned break-up.

Inflationary pressures in Africa were blamed for pushing up production costs at the group's mines, causing a 15m decline in operating profits to £41m. Gold production at Ashanti Goldfields, where Lonrho has a 41 per cent stake, rose 5.5 per cent to 490,138 ounces.

Work on the Amantaitau gold field project in Uzbekistan is progressing, and development of the field in which Lon-



Dieter Bock: the outlook for the rest of the year looks promising

rho is a joint venture partner, is expected to start soon.

Lonrho Hotels, which operates 30 hotels and four lodges, including the Metropole and Princess chains, saw operating profits rise 17 per cent to £27m. Metropole achieved 85 per cent occupancy, up one per cent, and an 11 per cent rise in the average room rate.

Lonrho Africa has been reorganised into motors, agribusinesses and property. The motors business saw margins

fall as competition increased, but sales volumes rose 18 per cent, year-on-year. Farming businesses also did well, and a good sugar crop is expected during the second half.

Overall, group sales rose 3.3 per cent to £1.04bn. Earnings per share rose 0.5p to 3.7p.

Mr Dieter Bock, chief executive, said that subject to any deterioration in currency rates and commodity prices, the trading outlook for the rest of 1996 was "promising".

## Argyll incentive plan attacked

By William Lewis

Argyll Group, the UK's third largest grocery retailer, is facing shareholder criticism over its proposed bonus scheme for executives.

Some institutional investors are threatening to cast their votes against, or abstain, at Argyll's annual meeting on Tuesday at London's Savoy Hotel.

Argyll wants shareholders to approve a new long-term incentive plan (L-tip) which could yield executives 100 per cent of their salaries in shares each year if performance targets over a three-year cycle are met.

However, institutional shareholders have told the company that the L-tip is too complicated. They have also criticised the way in which executives would still get pay-outs if Argyll's share and dividend performance failed to match that of competitor retail groups.

"The biggest drawback of the proposed scheme is that it is too complicated and is open to manipulation," said Mr Leslie Robb, managing director of Scottish Widows Investment Management, which owns 3.3 per cent of Argyll.

Mr Robb refused to state how Scottish Widows would be voting its shares at the annual meeting.

Shareholders are also concerned at the potential for executives to take a "double-dip" through participating in the L-tip and a share option scheme.

An attempt to placate the critical shareholders, Argyll is thought to have given an informal undertaking that it will amend the rules of the scheme.

and may make an announcement at the annual meeting. The amendment is likely to say there will have to be evidence of improved underlying financial performance before pay-outs are made to executives.

Argyll's proposed L-tip would allow executives to receive up to 12.5 per cent of their salary in shares if its three-year total shareholder return performance is two percentage points lower than the return of an index made up of competitor companies.

Another 12.5 per cent would also be paid to executives if the company's compound annual earnings per share growth over three years equals a minimum target of 5 per cent. Investors complain that if inflation increases then it will become even easier for Argyll to hit that target.

Pirc, the corporate governance consultancy which last week met several of the UK's largest companies to discuss the establishment of best practice guidelines for L-tips, is recommending that its clients vote against Argyll's proposed scheme.

In recent weeks Pirc has targeted several other L-tips, which were suggested by the Remuneration Committee as a better way than share options of rewarding managers and providing incentives over the longer term.

Argyll said yesterday that "a couple of institutional shareholders had registered some interest, or required some further explanation. Whether they vote against us shall see".

The company also defended the terms of the bonus scheme and said that it was in line with best practice.

## Marston pays £20m for 7 bars in London

By David Blackwell

Marston Thompson & Evershed, the regional brewer, yesterday paid £19.95m for Piffers & Piffers, a chain of seven London bars.

Mr David Gordon, managing director, said the acquisition would give Marston its first retail brand. The chain had plans to double in size by early 1998, but had the potential for 60 outlets in UK cities.

Analysts, who are expecting Marston to report a 12 per cent rise in annual pre-tax profits to £27.5m on Tuesday, said the move was a good strategic step. While Marston had good beer brands, including Pedigree Bitter, it had lacked a strong national brand in pub retailing. The acquisition would prove earnings enhancing in its first full year.

Fitcher & Piffers, which is aimed at the 30-35-year-old singles market, is expected to report pre-tax profits of just over £1m for the year to the end of this month, on the back of a 24 per cent rise in sales to £6.68m. The chain was founded in 1986 by Mr Crispin Tweedell via Piper Trust, a retail management consultancy. Mr Tweedell will become a non-executive director at Marston.

Mr Gordon said the acquisition would give Marston a presence in central London for the first time.

He rejected any suggestion that the price was too high, pointing out that developing each new site would cost about £2m. Existing management would remain.

## Leopold Joseph beats Coutts

By George Graham, Banking Correspondent

Leopold Joseph, the private bank, has beaten rival Coutts for the contract to handle cash payments to Equitas, the giant reinsurance company planned by the Lloyd's insurance market to take over responsibility for billions of pounds of mainly US asbestos and pollution liabilities.

Leopold Joseph was already one of the principal banks handling the collection of cash by Lloyd's managing agents from Names, the wealthy individuals whose assets underwrite the market.

Over the past year it had gained ground in this market

from Coutts, the private banking arm of the NatWest group. Leopold's reconstruction plans meant all payments from Names will now be centralised into Equitas, but Leopold Joseph has won a contract from the Corporation of Lloyd's to handle all these cash payments.

Leopold Joseph has changed tack over the past 18 months to concentrate on private banking and asset management, cutting out activities such as trading and treasury dealing.

The results of this restructuring showed up yesterday in a 67 per cent jump in pre-tax profits to £24m.

Net interest income rose by 5 per cent, as the bank increased

its depositor base by half - despite some setbacks a year ago after the collapse of a Caribbean trust company. The bank had run up legal, accounting and due diligence fees of £495,000 when the vendor pulled out of the deal days before completion.

Mr Michael Quicke, chief executive, said Leopold Joseph was still looking at other acquisitions.

## And Newcastle catches the leaders on the line

Chris Tighe talks to a punter with a £3.4m bet on a racecourse

Mr Stan Clarke, property developer and horse racing enthusiast, is not a betting man. At Ascot recently he ventured only a few fivers.

But behind the start yesterday of the two-day Northumberland Plate, Newcastle Racecourse's biggest annual event, lies a gamble by Mr Clarke far exceeding any punter's wildest fancy.

Two years ago, the century-old racecourse faced a crisis. Plans by High Gosforth Park, the then owner, to raise £4.4m for urgently needed improvements by selling some of the green belt site for housing and office development, were rejected by Mr John Gummer, environment secretary.

In August 1994, Northern Racing, 55 per cent owned by Mr Clarke and 35 per cent by St Modwen, the property company he chairs, bought the racecourse for £2.4m. This included £1.5m of Mr Clarke's own money.

Since then, Northern Racing has ploughed in more than £1.6m to restore a once-grand, but increasingly shabby, course to a standard worthy of its Grade One status.

Investment has included £750,000 on the Silver Ring and more than £200,000 on the track, including draining and irrigation.

The latest works, the £600,000 refurbishment of the Tattersalls enclosure, will be officially opened today by Mr Rodney Brack, chief executive of the Horserace Betting Levy Board. The highlight of the afternoon's racing today is the historic Northumberland Plate, known as the Pitman's Derby, the richest two mile handicap in Europe with £100,000 of prize money on offer.

This year's Plate meeting, expected to attract more than 30,000 race-goers and offering a record £230,000 in prize money, marks a watershed for the racecourse.

"I forecast when we acquired it that it would take two years to turn it around and five years to make it fly," says Mr Clarke. "It seemed very slow to start with, but these last three



Riding high: Stan Clarke, the man with a gamble

months it's really started to motor. We should be looking to get a 15 to 20 per cent return on capital by year seven."

Six years ago he bought Uptonhoe racecourse, then £500,000 in debt, and has transformed it to profitability.

At Newcastle he has sought to apply his Uptonhoe philosophy - "total commitment, hands-on management, care of the customer" - on a bigger scale. Initially it was very hard. Newcastle's decline had made it "bottom of the pile," he says, in racing recognition.

Raising income, from gate takings, corporate hospitality sponsorship and renting out facilities on non-racing days, has required not only financial investment but creation of a higher profile and a more welcoming image. The course has also had to revive the local race-going habit.

It is now striving for broad appeal. At one end of the scale, families can gain admission to the much-improved Silver Ring, which now even has football kickabout facilities, for £5. At the other, the fully spon-

sored race programme for the two-day Plate meeting includes eight new corporate sponsors, six of them local. The marquee hospitality village has been doubled in size for this year's Plate and more than 3,000 places sold to private and corporate parties.

Despite his property background Mr Clarke says he does not envisage trying, as his predecessors did, to build new housing in the 812-acre racecourse park. Leisure development is however a future possibility. "I'm a great believer in focusing on the core business," he says.

This year, course turnover should exceed £2m, up from £1.6m in 1995 and £1.88m in 1994. In the next few years several million pounds more will be spent, on the course's members' enclosure and the listed Branding House mansion.

And in the immediate future, Mr Clarke expects the racecourse, which lost £300,000 in 1995, to make a modest profit in 1996. "It won't be substantial by any means. But it will be pleasing."

**Announcement and Offer**

The Annual General Meeting of Raiffeisen Zentralbank Österreich Aktiengesellschaft held on 26 June 1996 passed a resolution giving the holders of participation certificates an opportunity to exchange their participation certificates for preference shares. The following conversion offer has been drawn up accordingly.

**RZB participation certificates eligible for conversion**

Raiffeisen participation certificates, issue A.  
Securities no. 67356, par value AS 100 = each  
Raiffeisen participation certificates, issue B.  
Securities no. 67358, par value AS 100 = each.

**Conversion rate**

1,000 RZB participation certificates with a par value of AS 100 = each entitle the holder to one non-voting bearer preference share in Raiffeisen Zentralbank Österreich Aktiengesellschaft with a par value of AS 100,000 (= "preference share") without any additional payment.

**Voting rights**

Up to 5,178 preference shares with a total par value of up to AS 517,800,000.

**No stock exchange listing**

The preference shares will not be listed on any stock exchange.

**Conversion period**

1 July 1996 up to and including 30 July 1996.

**Conversion order**

Shareholders may exercise their conversion right by filling out conversion order (conversion declaration) in duplicate at Raiffeisen Zentralbank Österreich Aktiengesellschaft, Am Stadtpark 9, 1070 Vienna, as the conversion agents.

Conversion orders will be accepted by any depositary bank holding RZB participation certificates entitled to conversion on behalf of the holder.

**Documentation**

In accordance with legal regulations, all documentation governing the relevant conditions for conversion may be inspected from 28 June 1996 on at the provision of Österreichische Kontrollbank Aktiengesellschaft or Raiffeisen Zentralbank Österreich Aktiengesellschaft.

Raiffeisen Zentralbank Österreich Aktiengesellschaft



## COMMODITIES AND AGRICULTURE

## WEEK IN THE MARKETS

## Copper sentiment improves

The prospect of normal service being resumed in the London Metal Exchange copper market appeared to be moving closer this week following the disruptions of the Hamanaka era.

The most obvious effect of the massive "long" position built up by the Sumitomo Corporation trader was the squeeze on the availability of copper for immediate delivery. This was reflected in the reversal of the normal market structure of "contango" - in

which cash prices are at a discount to forward positions, representing the costs of holding physical material (storage, insurance and foreign interest) - into "backwardation" - where cash prices are at a premium.

At one point the cash/three months backwardation exceeded \$300 a tonne, and the LME authorities decided to protect the "shorts" against excessive losses by setting a limit to the cost of carrying positions over for one day.

In the nervous period that followed the revelation of the scale of Sumitomo's losses the backwardation remained high, ending last week at \$39 a tonne. This week, however, has seen a significant improvement in market sentiment as traders have come to the conclusion that the Sumitomo holding is being, and will continue to be, liquidated in an orderly manner.

In mid-week many speculators who had sold copper in the expectation that a market "melt-down" would enable them to by it back more cheaply later decided that it was time to take their profits - or cut their losses - and while the three months price began to rally the backwardation faded. At yesterday's close the price stood at \$1,963.50 a tonne, up \$74.50 on the week and \$218.50 above Tuesday's low, and the backwardation was down to \$44.

Most analysts were looking for further modest price gains as the copper market sustained a "corrective bounce", though many thought new falls would follow as expectations of a growing supply surplus for the metal were reasserted.

At the London Bullion Market, meanwhile, gold traders were becoming increasingly nervous about the prospect of the International Monetary Fund selling some of its holdings of the precious metal to fund aid to poor countries.

The price ended just above an \$84-month low reached during the day after a communique issued at the end of a Group of Seven meeting in Lyon stopped short of giving direct endorsement to the idea.

In a Sky Television interview Britain's chancellor of the exchequer, Mr Kenneth Clarke, seemed in no doubt that the plan would go forward. "The world gold does not appear in the communique," he said, "but all of us know perfectly well that the policy described in the communique is going to involve selling gold, investing it and using the return... to give the extra subsidy to poor countries."

But Germany remained opposed to the plan, Chancellor Helmut Kohl told reporters at a briefing after the meeting. It could have a negative psychological effect at a critical time, in the run-up to the start of European economic and monetary union, he warned.

Mr Kohl said the issue must have to be decided by a vote of the IMF itself, where a majority of 85 per cent would be needed to approve it. Germany has 5.67 per cent of the votes.

"We'll have to see if the 85 per cent vote that way or not," he added.

Richard Mooney

## BASE METALS

## LONDON METAL EXCHANGE

(Prices from Antismetall Metal Trading)

## ALUMINIUM, 99.7 PURITY (\$ per tonne)

Cash 3 mths 12 mths

Close 1470-5 1470-5 1470-5

Previous 1470-5 1470-5 1470-5

High/Low 1470-5 1470-5 1470-5

AM Official 1470-5 1470-5 1470-5

Kerb close 1470-5 1470-5 1470-5

Open int. 28,252 28,252 28,252

Total daily turnover 35,596

ALUMINIUM ALLOY (\$ per tonne)

Close 1255-5 1255-5 1255-5

Previous 1255-5 1255-5 1255-5

High/Low 1255-5 1255-5 1255-5

AM Official 1255-5 1255-5 1255-5

Kerb close 1255-5 1255-5 1255-5

Open int. 5,382 5,382 5,382

Total daily turnover 632

LEAD (\$ per tonne)

Close 793-4 801-2

Previous 793-4 801-2

High/Low 793-4 801-2

AM Official 793-4 801-2

Kerb close 793-4 801-2

Open int. 33,032 33,032 33,032

Total daily turnover 6,919

NICKEL (\$ per tonne)

Close 7645-5 7760-5

Previous 7645-5 7760-5

High/Low 7645-5 7760-5

AM Official 7645-5 7760-5

Kerb close 7645-5 7760-5

Open int. 40,029 40,029 40,029

Total daily turnover 14,775

TIN (\$ per tonne)

Close 6295-305 6325-30

Previous 6295-305 6325-30

High/Low 6295-305 6325-30

AM Official 6295-305 6325-30

Kerb close 6295-305 6325-30

Open int. 15,897 15,897 15,897

Total daily turnover 5,405

ZINC, special high grade (\$ per tonne)

Close 1015-6 1043-3

Previous 1015-6 1043-3

High/Low 1015-6 1043-3

AM Official 1015-6 1043-3

Kerb close 1015-6 1043-3

Open int. 68,426 68,426 68,426

Total daily turnover 19,400

COPPER, grade A (\$ per tonne)

Close 2005-10 1980-5

Previous 2005-10 1980-5

High/Low 2005-10 1980-5

AM Official 2005-10 1980-5

Kerb close 2005-10 1980-5

Open int. 209,038 209,038 209,038

Total daily turnover 94,821

LME AM Official 2005-10 1980-5

LME Closing 2005-10 1980-5

Spot 1,252.5 3 mths 1,252.5 6 mths 1,252.5

HIGH GRADE COPPER (DOWEX)

Close 2005-10 1980-5

Previous 2005-10 1980-5

High/Low 2005-10 1980-5

AM Official 2005-10 1980-5

Kerb close 2005-10 1980-5

Open int. 209,038 209,038 209,038

Total daily turnover 94,821

LME AM Official 2005-10 1980-5

LME Closing 2005-10 1980-5

Spot 1,252.5 3 mths 1,252.5 6 mths 1,252.5

HIGH GRADE COPPER (DOWEX)

Close 2005-10 1980-5

Previous 2005-10 1980-5

High/Low 2005-10 1980-5

AM Official 2005-10 1980-5

Kerb close 2005-10 1980-5

Open int. 209,038 209,038 209,038

Total daily turnover 94,821

LME AM Official 2005-10 1980-5

LME Closing 2005-10 1980-5

Spot 1,252.5 3 mths 1,252.5 6 mths 1,252.5

HIGH GRADE COPPER (DOWEX)

Close 2005-10 1980-5

Previous 2005-10 1980-5

High/Low 2005-10 1980-5

AM Official 2005-10 1980-5

Kerb close 2005-10 1980-5

Open int. 209,038 209,038 209,038

Total daily turnover 94,821

LME AM Official 2005-10 1980-5

LME Closing 2005-10 1980-5

Spot 1,252.5 3 mths 1,252.5 6 mths 1,252.5

HIGH GRADE COPPER (DOWEX)

Close 2005-10 1980-5

Previous 2005-10 1980-5

High/Low 2005-10 1980-5

AM Official 2005-10 1980-5

Kerb close 2005-10 1980-5

Open int. 209,038 209,038 209,038

Total daily turnover 94,821

LME AM Official 2005-10 1980-5

LME Closing 2005-10 1980-5

Spot 1,252.5 3 mths 1,252.5 6 mths 1,252.5

HIGH GRADE COPPER (DOWEX)

Close 2005-10 1980-5

Previous 2005-10 1980-5

High/Low 2005-10 1980-5

AM Official 2005-10 1980-5

## Precious Metals continued

## GOLD COMEX (100 Troy oz; \$ per oz)

Sett. Day's price change High Low Vol

Jul 380.1 -1.5 382.3 382.3 0

Aug 381.8 -2.0 384.0 384.0 0

Sep 382.7 -2.2 385.0 385.0 0

Oct 383.2 -2.2 385.5 385.5 0

Nov 383.2 -2.2 385.5 385.5 0

Dec 383.2 -2.2 385.5 385.5 0

Jan 383.2 -2.2 385.5 385.5 0

Feb 383.2 -2.2 385.5 385.5 0

Mar 383.2 -2.2 385.5 385.5 0

Apr 383.2 -2.2 385.5 385.5 0

May 383.2 -2.2 385.5 385.5 0

Jun 383.2 -2.2 385.5 385.5 0

Jul 383.2 -2.2 385.5 385.5 0

Aug 383.2 -2.2 385.5 385.5 0

Sep 383.2 -2.2 385.5 385.5 0

Oct 383.2 -2.2 385.5 385.5 0

Nov 383.2 -2.2 385.5 385.5 0

Dec 383.2 -2.2 385.5 385.5 0

Jan 383.2 -2.2 385.5 385.5 0

Feb 383.2 -2.2 385.5 385.5 0

Mar 383.2 -2.2 385.5 385.5 0

Apr 383.2 -2.2 385.5 385.5 0

May 383.2 -2.2 385.5 385.5 0

Jun 383.2 -2.2 385.5 385.5 0

Jul 383.2 -2.2 385.5 385.5 0

Aug 383.2 -2.2 385.5 385.5 0

Sep 383.2 -2.2 385.5 385.5 0

Oct 383.2 -2.2 385.5 385.5 0

Nov 383.2 -2.2 385.5 385.5 0

Dec 383.2 -2.2 385.5 385.5 0

Jan 383.2 -2.2 385.5 385.5 0

Feb 383.2 -2.2 385.5 385.5 0

Mar 383.2 -2.2 385.5 385.5 0

Apr 383.2 -2.2 385.5 385.5 0

May 383.2 -2.2 385.5 385.5 0

Jun 383.2 -2.2 385.5 385.5 0

Jul 383.2 -2.2 385.5 385.5 0

Aug 383.2 -2.2 385.5 385.5 0

Sep 383.2 -2.2 385.5 385.5 0

Oct 383.2 -2.2 385.5 385.5 0

Nov 383.2 -2.2 385.5 385.5 0

Dec 383.2 -2.2 385.5 385.5 0

Jan 383.2 -2.2 385.5 385.5 0

Feb 383.2 -2.2 385.5 385.5 0

Mar 383.2 -2.2 385.5 385.5 0

Apr 383.2 -2.2 385.5 385.5 0

May 383.2 -2.2 385.5 385.5 0

Jun 383.2 -2.2 385.5 385.5 0

Jul 383.2 -2.2 385.5 385.5 0

Aug 383.2 -2.2 385.5 385.5 0

Sep 383.2 -2.2 385.5 385.5 0

Oct 383.2 -2.2 385.5 385.5 0

Nov 383.2 -2.2 385.5 385.5 0

Dec 383.2 -2.2 385.5 385.5 0

Jan 383.2 -2.2 385.5 385.5 0

Feb 383.2 -2.2 385.5 385.5 0

Mar 383.2 -2.2 385.5 385.5 0

Apr 383.2 -2.2 385.5 385.5 0

May 383.2 -2.2 385.5 385.5 0

Jun 383.2 -2.2 385.5 385.5 0

Jul 383.2 -2.2 385.5 385.5 0

Aug 383.2 -2.2 385.5 385.5 0

Sep 383.2 -2.2 385.5 385.5 0

Oct 383.2 -2.2 385.5 385.5 0

Nov 383.2 -2.2 385.5 385.5 0

Dec 383.2 -2.2 385.5 385.5 0

Jan 383.2 -2.2 385.5 385.5 0

Feb 383.2 -2.2 385.5 385.5 0

Mar 383.2 -2.2 385.5 385.5 0

Apr 383.2 -2.2 385.5 385.5 0

May 383.2 -2.2 385.5 385.5 0

Jun 383.2 -2.2 385.5 385.5 0

Jul 383.2 -2.2 385.5 385.5 0

Aug 383.2 -2.2 385.5 385.5 0

Sep 383.2 -2.2 385.5 385.5 0

Oct 383.2 -2.2 385.5 385.5 0

Nov 383.2 -2.2 385.5 385.5 0

Dec 383.2 -2.2 385.5 385.5 0

Jan 383.2 -2.2 385.5 385.5 0



## COMMENT &amp; ANALYSIS

## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700  
Saturday June 29 1996

## Judging the turnaround

Unto everyone that hath shall be given. He that hath not will have to wait further discussion. Thus spoke the leaders of the seven leading industrialised nations in Lyons yesterday at their annual summit get-together. Most of the participants could agree that the economic outlook for the G7 countries looked brighter than a year ago, at their summit in Nova Scotia. But the message to those economies furthest from the rich man's club had once again to be fogged.

They agreed that further measures were needed to help the poorest nations grow out from under their mountains of official debt. And that creditor governments, the World Bank and the International Monetary Fund would all have to work together to provide it. But, not for the first time, the crucial question of how exactly the support would be funded was put off for another day.

It is a pity that the G7 achieved so little on the debt reduction front. For, as yesterday's official communiqué acknowledged, the encouraging exchange rate developments of the last year or so meant that they did not have very much else to think about in Lyons. Whether by luck or design - or, most probably, a combination of the two - exchange rates have behaved precisely as they were urged to behave a year ago in Nova Scotia. Put simply, the dollar went up, and the yen went down.

On this issue the summiters seem to have been broadly happy to quit while they were ahead. They welcomed the "orderly" 22 per cent decline in the trade-weighted yen since spring of last year, and corresponding strengthening of the dollar. A year ago one dollar bought around 85 yen; yesterday it was flirting with 110.

## Track record

Though the dollar reacted positively to yesterday's events, there were few hints of further concerted action on exchange rates: either to push the dollar up higher, or to keep it where it is. This seems wise. Official exhortation of - and intervention in - foreign exchange markets has a patchy track record. It can, as last year, be useful in affirming major turning points that are already underway. But there is little chance of being able to fine-tune exchange rate movements beyond that.

No, if it is fine-tuning you are after, you should rather keep your eyes on Mr Alan Greenspan, the chairman of the Federal Reserve and Yasuo Matsuoka, the governor

of the Bank of Japan. Interest rate movements played a large part in the G7's "victory" in the exchange markets last year. The Japanese official discount rate was cut 1½ percentage points to a record low of 0.5 per cent during the year. Meanwhile, Mr Greenspan has risked only a quarter of a percentage point cut in the US discount rate, to 5 per cent, since the half percentage point increase of February 1995.

The next move in both US and Japanese interest rates will be upward. And, given the extremely fragile state of the Japanese economy, Mr Greenspan will almost certainly be the first to act. This much seems clear. The bigger question is when, precisely, he will decide to pounce.

## Little evidence

For some months now nearly all the economic news coming out of the US has been positive. The revised figures for growth in GDP released yesterday confirmed that the economy grew at roughly its long-term trend rate in the first quarter. Growth may well have picked up further in the past three months; whether this will be sustained for the rest of the year is harder to judge.

The US economy is almost certainly operating close to full capacity. Mr Greenspan's hope has been that growth will slow enough in the latter half of the year to make large increases in interest rates unnecessary. There has been little evidence so far of an impending slowdown. Employment, in particular, has continued to grow at a cracking pace - with payrolls increasing by a further 348,000 last month. Meanwhile, industrial production has risen strongly in three of the last four months, recording an annual rate of growth of 3.2 per cent in May.

Such figures might usually be expected to prompt a response from Mr Greenspan at next week's open market committee meeting. An early move would also, incidentally, allow him to put a decent interval between an unpopular interest rate increase and the November presidential election.

And yet, and yet. The trouble is that not all the data are pointing in the direction of tightening: for example, most of the major indicators of price pressures are subdued. With the economy so hard to read, Mr Greenspan might be loath to jump the gun and raise interest rates merely on the assumption that inflation will rise. Do not be surprised if, like the G7 leaders, he decides to put off until tomorrow what he cannot decide to do today.

Analysts remain split about whether the US stockmarket is due for a correction, says **Tony Jackson**. But there is growing anxiety beneath the surface, and the pessimists now outnumber the optimists

## Bulls outrun by the bears

To all appearances, these are tranquil times on Wall Street. At just under 5,700, the Dow Jones Industrial Average is less than 100 points short of its peak. Corporate profits are holding up nicely, and the market is still being supported by a flood of money from the general public.

Beneath the serene surface lies growing anxiety. One veteran equity strategist, Mr Byron Wien of Morgan Stanley, says the Dow is due for a 1,000-point fall. His opposite number at UBS Securities, Ms Call Dudgeon, talks of a 15 per cent setback, nearly the same thing.

Much of this might be termed modified bearishness. Prevailing wisdom still says the US economy is going through profound structural change, which in turn justifies a fundamental shift in equity values. The worry is merely that the market is going through a bout of speculative fever, which will produce an opposite if temporary reaction.

This view must be distinguished from that of the true bears, who argue that a market which has risen 50 per cent in the past 18 months has taken fundamental leave of its senses. But let us start at the other end of the spectrum, with the true bulls: for theirs, after all, is still the representative voice of the investing public.

At the centre of their case is the belief that the inflationary dragon has indeed been slain. Grant that premise, and a great deal follows. In a low-inflation environment, the cost of capital stays low. So does the cost of capital goods. That in turn, the bulls argue, puts a cap on the cost of labour.

As Mr Jeffrey Applegate of Lehman Bros points out, the total compensation of US workers - including healthcare, pensions and the rest - is now rising at around 3 per cent a year. Capital goods prices are rising at only 1 per cent overall, while prices of high-tech electronic goods are falling. Thus, any revival of wage inflation will simply give employers added incentive to replace workers by machines, thereby pushing up productivity and ultimately earnings.

Some Wall Street commentators, notably Mr Stephen Roach, Morgan Stanley's chief economist, worry that this cosy relationship will be destroyed by a worker backlash. Mr Applegate dismisses this. The argument, he says, is essentially one of class struggle. But if the workers are to rise up, they

need organisation. In fact, the unionised share of the workforce is half what it was at the start of the 1980s and the incidence of strikes is the lowest for 30 years.

Indeed, Mr Applegate argues, the workers have no real reason to complain. Corporate profits may have risen from 8 per cent of national income to 11 per cent in the course of the 1990s. But the cost has been borne not by the workers, whose share of the cake has remained almost constant, but by holders of interest-bearing investments. That is, the shift in income has been between classes of capital, not between capital and labour.

Granted all that, are equities fairly priced? Certainly, says Mr Applegate. The dividend yield, stuck at an all-time low, is perhaps an oddity. Other measures, such as the ratio of price to cash flow or

The market is sensitive to suggestions of wage inflation, and the unemployment figures have caused turbulence for several months in a row.

earnings, look normal enough. Others have claimed that the ratio of price to the replacement value of corporate assets - the so-called "Q" ratio - is screamingly high. Not if the sums are calculated correctly, Mr Applegate says. Properly adjusted, the ratio is below where it was in the 1980s.

For the modified bears, all this is of limited relevance. The present reality is that private investors have come to see equity investing as a one-way bet. At this level, the market relies on a tide of money from mutual funds. Though that is perhaps slowing, it is still unsustainably high.

As Ms Dudgeon of UBS points out, the flow of money into equities this year is larger than total personal savings. This implies that individuals are devoting all their spare resources - and more - to a single

asset class, which seems a trifle imprudent. In proportional terms, the average household has not held so much equities since 1972, or so little cash since 1961.

In addition, Mr Wien of Morgan Stanley points out, the market has to cope with a corresponding flow of new equity from companies anxious to cash in while the going is good. In the past six months, this has totalled a record \$40bn. Compared to a net inflow into mutual funds of \$23bn in May alone, this seems manageable. However, there are signs that the mutual fund flow is ebbing, while the supply of equity continues to rise.

Finally, he says, consider the following. Last year, new mutual fund money came to \$131bn, and the broad market produced a total return of 38 per cent. So far this year new money has reached \$121bn, and the total return has been only 10 per cent. The flood of cash may still be coming, but it is not working the way it used to.

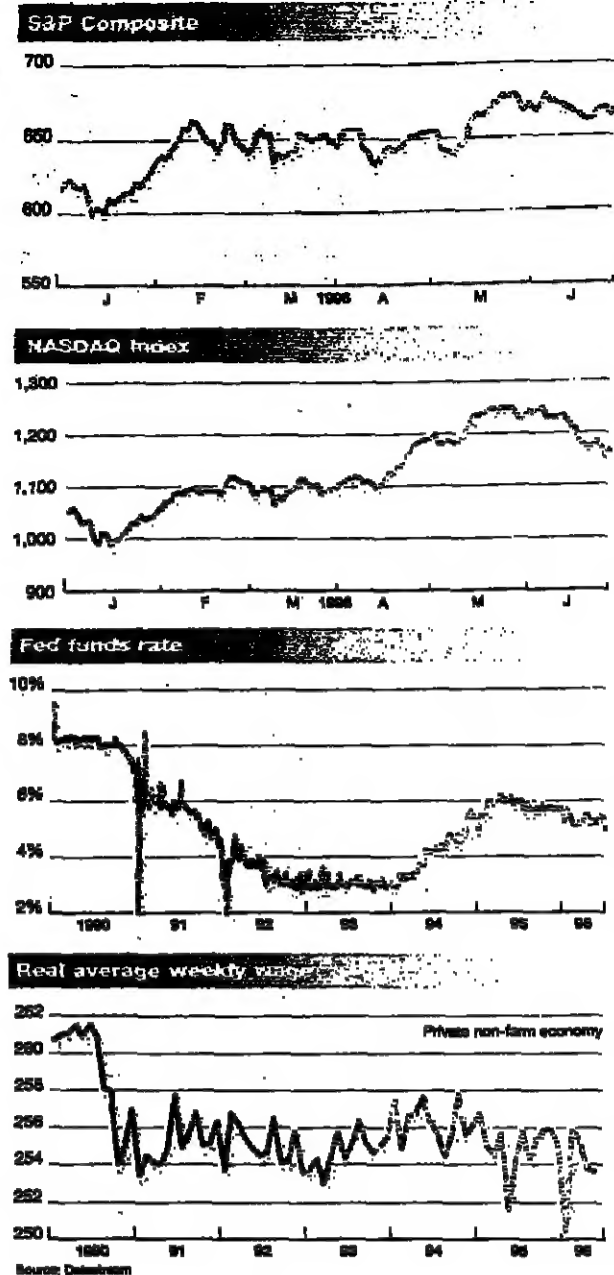
The distinguishing feature of these arguments is that they are short-term in nature. Once the correction is out of the way, the structural changes in the US economy should ensure that the good times return. This brings us to the true bear argument. What if those changes are illusory?

Mr Michael Metz, of Oppenheimer, the investment bank, thinks the market is dangerously vulnerable to disappointment. "I think the great new era is fully discounted by the market," he says. "I don't think we're in a period of permanently controlled inflation, docile workers and low interest rates. All that is interruptible."

Above all, he says, any real change in the market's complacency over inflation could prove very damaging. That seems undeniable. "The retreat of inflation, whatever its cause, has been the dominant feature of investment in the 1990s. The question of its permanence will continue to dominate at least until the millennium."

One could perhaps argue that the market is not so complacent about inflation as all that. It is particularly sensitive to suggestions of wage inflation, and the regular government figures on unemployment have caused monetary turbulence for several months in a row.

But for Mr Metz, the market has seen nothing yet. "I think we're about to have the strongest world economy since 1988," he says. "This is at a time when inventory levels



are at a record low, since everyone assumes commodity prices can't go up."

Then again, look at corporate profits. The bulls are happy to forecast growth in operating earnings this year of 10 per cent or so. But reported earnings have been profoundly affected in recent years by the massive restructuring of corporate America.

In the process, the line between one-off costs and ongoing expense has been considerably blurred. "It's a very unhealthy climate," Mr Metz says. "Dividend payouts are at a record low, and you're basing everything on earnings which may turn out to be fictional."

The conclusion from all this is that the outright bulls are in the minority, and that market professionals, at least, live in nervous apprehension of a sizeable correc-

tion. The bulls will take comfort from this: for it is the habit of the market, as the cliché has it, to climb a wall of worry.

And indeed, a fall is not the only mechanism by which an overvalued market corrects itself. It may simply fail to rise: for a year or two, if the modified bears are right, or for decades, as happened from the mid-1980s until 1992.

Taken all round, the odds must be on something more dramatic. So where does that leave investors?

For those who have already missed Wall Street's rise - including an uncomfortable number of Europeans - it might seem too late to do anything but wait events. The really difficult call would come immediately after a 1,000-point fall as predicted by Mr Wien: whether to jump back in, or follow the true bulls and look elsewhere.

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5838 (please see fax to 'fine'), e-mail: letters.editor@ft.com. Translation may be available for letters written in the main international languages.

## Market pressures will force down CAP cost

From Mr Nick Young.  
Sir, Martin Wolf's "Thinking the unthinkable" (June 18) quotes Professor Patrick Minford's contribution to the debate on UK withdrawal from the EU. Minford's analysis of the trade diversion effects of UK withdrawal is misleading in respect of agricultural policy costs and should not be allowed to pass without comment. He suggests the Common Agricultural Policy costs the UK some £5.5bn in a "typical" year. His analysis does not allow for changes which will be forced on the EU's Common Agricultural Policy over the next few years.

The acceptance of the US Federal Agricultural Improvement and Reform (FAIR) Act of 1996 and policy changes elsewhere are

factors which will render the EU's CAP unsustainable at its current level. Past experience should forewarn us that the CAP is often above reason, but international markets will exert considerable pressure on key EU farm export sectors to push for change from within the farming community. This will reduce the cost of agricultural policy to the UK. Those pursuing the economically suicidal option of a UK retreat to a life outside the EU should take care when using the farm policy cost figures quoted in the article.

Nick Young,  
president,  
Produce Studies Group,  
Alexandra,  
Virginia 22314, US

## Wasteful example of market failure

From Mr M.G. Thomas.  
Sir, I join Mr R.G. Loran (Letters, June 24) in deploring the UK's relatively heavy use of landfill as a means of disposing of waste. I do not, however, share his view that waste recycling is an uneconomic strategy "frisking away European countries' financial resources". Waste generation is a prime example of market failure, which results in resource misallocation and lower long-term living standards. The problem lies in the inability of economics accurately to quantify external costs so that resources can be efficiently allocated, rather than in the uneconomic nature of recycling. Unquantified does not, however, mean unimportant. I do not wish to see the continued

proliferation of landfill sites, associated despoilation and increased heavy vehicle traffic. I do wish to see a recycling regime in place to compensate for the market mechanism's inability to plan long term, when my children may have to cope with hitherto unforeseen complications resulting from landfill and excessive waste generation. Rather than focus on short-term financial costs, it would be refreshing to see exploration of the commercial opportunities associated with sustainable business activity.

M.G. Thomas,  
Brook House,  
Norley Lane,  
Crowton, Northwich,  
Cheshire CW8 2RR, UK

## Labour aim is regulatory system that works

From Mr Alastair Darling.  
Sir, I refer to Joe Rogaly's article "Dodgy dealers and morality" (June 23/24). Mr Rogaly is being a bit naughty in selectively quoting from a speech I gave last week. He was critical of our desire to reduce the quantity of City regulation. He quoted from a passage in my speech: "... the best form of compliance will come through real competition where consumers can make informed choices. ... I want to add, in the same sentence, 'we are nowhere that position now'."

It is not our position that we don't need robust supervision and regulation. The point is that we now have a profusion of regulatory requirements which don't enjoy the confidence of the public or the industry.

We propose that the regulatory system should concentrate on fewer rules and regulations that actually

work. For example, on qualifications and training. The present system of compliance through box ticking is not achieving the essential trust between buyer and seller. The present system proceeds on the basis that if you have a sufficient quantity of rules, you must have protection against wrong-doing. That is not the case. Mr Rogaly has the full text of my speech. We have made proposals which will reform both the structure and, crucially, the nature of UK regulation. We will also ensure that there is a relationship between the cost of the system and its benefit.

Alastair Darling,  
opposition spokesman on the City and financial services,  
House of Commons,  
London  
SW1A 0AA, UK

From P.G.B. Willis.  
Sir, "Competition," states Joe Rogaly somewhat ingeniously, "will ensure that there is no 'any ethics committee'."

Really? From where I sit, the standards of the British Press deteriorate daily. I put this down to unbridled competition. In addition, the newspaper industry refuses to accept any type of ethics at all, whether imposed by self-regulation or otherwise. I can quite see, therefore, that an ethics committee would be a pointless exercise in Mr Rogaly's profession.

Happily, most people are not journalists, and can therefore not only accept ethics as a concept, but can try and define them, for the benefit of others.

P.G.B. Willis,  
Far Horizons,  
Hayton Newton Abbot,  
Devon TQ13 8XU, UK

## Politics of non-cooperation

From Mr Giles Chichester MEP.  
Sir, Your rather bolter than thorn remarks about moving the BSE problems from politics into the realm of veterinary science ("Beef overdone", June 20) seem to ignore the fact that the policy of non-cooperation was provoked by members of the European expert committees playing politics with their decisions in the first place.

One piece of awkward squad behaviour led to another. "One all" is a good point at which to resume normal working and I hope that will be the case. But please don't fall into the old British trap of politely apologising

for being in the wrong even when we are not. There are times when we need to be awkward in Europe - other member states do it, so why not us?

Let us not forget the French tactics with regard to the parliament sitting in Strasbourg, those of the Italians with regard to their milk quotas or the Spanish with regard to structure and cohesion funds. We have just been more open.

Giles Chichester,  
MEP for Devon and East Plymouth,  
48 Queen Street,  
Exeter EX4 5SR, UK

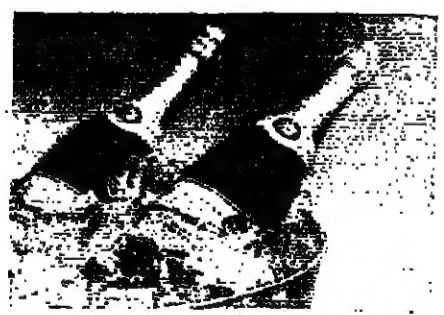
## A taxing gift

From Mr Mark Dyer.  
Sir, The gift Dan Wagner (Observer, June 27) made to his fiancée is indeed very touching: if he had waited until after the marriage they would not have left themselves open to actual or potential capital gains tax liabilities on the gift. I wonder, is he going to do the decent thing and pay the CGT, or will they "holdover" and leave it to her?

Mark Dyer,  
The Dyer Partnership -  
Accountants thru Internet,  
Scope House,  
High Street,  
Bordon,  
Hampshire, UK



ROUND THE ISLAND



ON THE ROCKS

Boxing the Island Race, Isle of Wight	29 June
Veuve Clicquot Gold Cup Polo, Chesham Park	29 June - 21 July
Henley Royal Regatta	5-7 July
San Geronimo Test Match 2 (Ireland, Twenty Nations)	6-9 July
Hampton Court Palace International Tennis Open	9-14 July
Barton Grand Prix, Silverstone	11 July
Gilbert Greenhouse	10 July - 5 August
Cornet West	11-18 August
Burgess & Nunn Trials, Stamford	1-6 September
Le Festival des Arts et de la Musique, Grand Millieu	1-5 February

**Veuve Clicquot**  
CHAMPAGNE OF THE SEASON

Handwritten signature in Arabic script.



Man in the News • Carlo De Benedetti

## Spanner in engineer's works

Andrew Hill on a business chief struggling for credibility

Until a few years ago, nobody would have thought of asking whether Mr Carlo De Benedetti was an asset or a liability for Olivetti.

But five years of continuing losses at the Italian computer group - of which he is chairman, chief executive and controlling shareholder - and a string of recent setbacks have taken their toll.

Three days ago, Olivetti confirmed rumours that Mr Corrado Passera, the company's joint chief executive and Mr De Benedetti's closest assistant for the last 11 years, was planning to leave the company.

Whether Mr Passera, 41, is being forced out, as insiders claim, or has simply decided to seek new challenges, as Mr De Benedetti says, is irrelevant. With the premature departure of the joint architect of the group's recovery plan, attention is again focused where Mr De Benedetti likes it to be: on himself.

The problem is that shareholders, analysts and even some employees have begun to wonder whether at 61, 17 years on (the engineer) - the swashbuckling financier who successfully transformed Olivetti from typewriter manufacturer into computer-maker - has lost his touch.

If he has, Mr De Benedetti will be the last to admit it. He still takes a showman's pleasure in confounding his critics.

Last autumn, for example,

most observers expected Olivetti to end in the arms of the underwriters, when Mr De Benedetti asked shareholders to sign up to a 1.25/7bn (3950m) rights issue aimed at transforming the company into a broad-based information technology and telecoms group. Advisers tried to dissuade him from taking part in the subsequent investment roadshow, fearing his presence might be counterproductive. They later admitted it was Mr De Benedetti's performance, particularly in the US, in favour of the issue.

Within days of announcing the successful conclusion of the capital increase, however, news seeped out that the group's 1995 restructuring costs were higher than originally expected. The shares dropped sharply to below the price just paid by the fund managers charmed by Mr De Benedetti.

Disgruntled investors and analysts say the episode is typical of the way in which Mr De Benedetti has, over the last few years, paved over the cracks in Olivetti's credibility with his own charisma.

As the credibility gap has widened with his repeated forecasts of better days that never come, this feat has become more difficult to achieve. Although they backed the Olivetti issue, bankers did not have enough confidence in the De Benedetti factor to underwrite parallel rights issues at Confindustria and Cir, the two quoted holding companies through which his family controls Olivetti. Cir's stake in Olivetti was diluted to 15 per cent of the computer group, and Mr De Benedetti was obliged to proclaim that Olivetti had become "Italy's first real public company", with a diffuse shareholder register.

This is a far cry from the late 1980s when Mr De Benedetti was the most prominent representative of a new-style Italian capitalism. He was the outsider bent on breaking open the closed circle dominated by Fiat, the automotive and industrial company, and Mediobanca, the secretive Milan merchant bank. Some traced this anti-establishment attitude back to the De Benedetti family's Jewish origins, which forced them to flee from fascism during the war.

In the space of a decade he masterminded a series of audacious investments - market raids of the sort Italy had never seen before - starting with the purchase of a minority stake in Olivetti in 1978. The acquisition spree culminated in 1988 with his unsuccessful bid for Société Générale de Belgique, the Belgian establishment's holding company, by which time he had built a reputation as an expert dealmaker and financial engineer.

In the process, Mr De Benedetti acquired all the trappings of Italian business success - a yacht, private jet and a newspaper (La Repubblica). And although the rivalry with Fiat remained, he was co-opted into the business establishment he had once challenged.

The election of a centre-left government in April, supported by the entrepreneur and his publications, should have marked the climax of that process of acceptance. Instead, the crowning glory of Mr De Benedetti's political allies has found the entrepreneur at his lowest point in the last two decades, fighting to preserve his reputation.

Earlier this month, an appeals court reduced but did not overturn a jail sentence for Mr De Benedetti in connection with his role in the collapse of Banco Ambrosiano in 1982. The Olivetti chairman is appealing against the "unjust and unjustified" ruling.

The day after he resigned from the executive committee of Confindustria, the Italian employers' federation, a post he had held for 23 years, in the wake of pointed comments by the federation's new president about committee members' ethical obligations, Mr De Benedetti perhaps expected the resignation to be turned down by his fellow industrialists, but it was quietly accepted.

Meanwhile Olivetti is still struggling to prove that it is on the mend. Mr De Benedetti says the success of the rights issue and the challenge of transforming the company again have rejuvenated him. He claims the ailing personal computer business (entrusted to Mr Passera in January) is now breaking even.

But insiders say Mr De Benedetti now seems to reserve his real enthusiasm

not for the nitty-gritty business of running the company but for international issues. He has become a sort of roving ambassador for the "information society" and is on the international council of J.P. Morgan, the US investment bank.

Meanwhile, he rules the company in an increasingly autocratic fashion. One employee says working for Olivetti is now "like being in Dallas or The Bold and the Beautiful. It's a daily soap opera: is he going to like this person or hate him? Is he going to do this or do that?"

Some observers believe Mr De Benedetti could still shape a new Olivetti, but to restore the confidence of investors, he may need to renounce the power he has accumulated over the last 30 years. "If there's still time, he could choose to be a sort of non-executive chairman - where he can use his international and political contacts - and call in a top manager from outside, someone really tough, to take the company in hand," says one former Olivetti executive.

Such a solution might suit a man who is thought by many to have lost his old appetite for the business and would prefer to spend more time with his family. "He now likes playing the grandfather," says another former Olivetti employee. In spite of all his travails, Mr De Benedetti is, after all, a man who likes to be liked.



England lost a Euro 96 match but won a commercial victory, say Patrick Harverson and Jimmy Burns

## When football came good

"Everyone seems to know the score... They're so sure that England's going to throw it away, going to blow it away... Thirty years of hurt never stopped me dreaming... football's coming home."

And so it did. For the 70,000 London football fans who sang the words to *Three Lions* - the unofficial anthem of Euro 96 - at Wembley on Wednesday night, the European football championship brought football home to England in some style.

Many feared otherwise. The recent history of English football has been marked by rampant hooliganism, which contributed to the deaths of innocent spectators at the Heysel stadium in Brussels in 1985. The decrepit state of its stadiums was symbolised by the disaster at the Hillsborough stadium in Sheffield in 1989 when 96 fans died. And the national team's recent record on the pitch was disastrous.

Yet the Football Association and UEFA, the sport's governing body in Europe, have been delighted with the progress of the three-week tournament. England's departure in a semi-final penalty shootout may have robbed the story of a compelling climax. Tomorrow's clash between Germany and the unfancied Czech Republic is not the glamorous final between two top teams the organisers might have wished. But there is little doubt Euro 96 has been a success.

Before the event, the organisers' biggest fear was that the Euro 96 cities would become a

battleground between England's notorious hooligans and their equivalents from Holland, Germany and Scotland.

There was some sporadic violence in London's Trafalgar Square and other towns after England's defeat on Wednesday night. But thanks to advance planning and tough policing, football hooliganism was largely absent at the eight stadiums hosting the matches. An unprecedented level of international co-operation on intelligence gathering, a generally well-controlled ticket sales system and expensive seating contributed to the decision of continental and English toughs to stay at home.

"What we set ourselves as a target was to stop a minority of hooligans from disrupting the holding and enjoyment of Euro 96," says Mr Mike Cobb of the Metropolitan Police. "I think we can claim to have achieved that."

The tournament has clearly been a success in commercial terms. It is expected to generate £180m of revenues from ticket sales, television rights and corporate sponsorship, the bulk of which will go to UEFA. And the tournament's corporate backers, which have spent at least another £100m on advertising to promote their association with the event, have been delighted by the success of the England team in reaching the semi-finals.

England's progression to the semi-finals boosted retail sales of Euro 96 merchandise,



according to Licensed Properties International, the London-based company handling the licensing of Euro 96 products. Though sales have plummeted since England's defeat on Wednesday, they are expected to reach about £20m by the event's close tomorrow night. The government may have left most of the event's costs to the football associations, local authorities and the private sector but Deloitte & Touche, the accountancy firm, estimates the chequer will gain more than £20m in taxes from Euro 96 - a handsome return on an investment of a few tens of thousands of pounds.

However the tournament has had its problems. On the pitch, the low quality of many of the games - an average of only 2.03 goals per game was the second lowest in any European or world championship - has been a poor advertisement for the sport.

"The football has been generally unimaginative, and lacking individual creativity," says Mr Jorge Valdano, the former Argentine international and Real Madrid manager who reported on Euro 96 for SER, the Spanish national radio station. "I call it industrial football, players on a conveyor belt, just trying to survive."

England was one of the few teams that played occasionally as if they wanted to win - perhaps because they had to.

Off the pitch, the biggest disappointment has been the poor crowds at many games. The FA says more than 1.2m of the 1.4m tickets were sold but the swathe of empty seats at many stadiums - especially the Manchester semi-final between France and the Czech Republic - suggested otherwise.

FA officials privately blame the empty seats on foreign football federations that ordered thousands of tickets on behalf of their supporters but failed to sell them.

Fewer foreign fans chose to follow their teams to England than were expected. In Newcastle, for example, the number of overseas visitors staying was less than the hoped-for 30,000. Mr Ian Parkinson, head of marketing services at the Northumbria Tourist Board, says there had perhaps been "a bit too much hype" in predicting numbers. Even so local people turned out enthusiastically for Euro 96, the city's 540,000 festival organised to coincide with the games at St James' Park.

Mr Parkinson, a representative of the English regional tourist boards on the national Euro 96 co-ordinating committee, believes the tournament has brought other benefits for the tourism industry.

"It's been a huge benefit not just from the people coming to

the tournament but the goodwill and profile established for the country. The scenes at Wembley of the good-natured crowd enjoying good football will have done a power of good."

Officials in Birmingham estimate the football championships have earned the city at least £15m in revenues from the hotel, food and travel sectors. "The hotels, pubs and taxi drivers have made a killing," says Mrs Brenda Newton, a member of the city council's leisure committee. "It has also been fabulous for Birmingham people, who have joined in the city centre celebrations. Even the little old ladies who would normally say football fans are horrible were joining in the fun."

With football coming home, the FA has managed to emerge from the tournament boldly predicting that England can put in a strong bid for the 2006 football World Cup. That however will depend as much on the tortuous machinations of Fifa, world football's governing body, as on the UK government's ability to commit itself to the investment such an enterprise would entail.

Nevertheless the unveiling of this week of Sir Norman Foster's bold plans for a new Wembley stadium is a symbol of optimism. As Andrew Wallace, a Euro 96 official, put it yesterday: "After the disasters of Hillsborough and Heysel, we hope we have achieved what we set out to achieve: the rehabilitation of football."

Additional reporting by Chris Tipton and Richard Wolfe

## A blitz that risks burnt fingers

Roderick Oram on a controversial tobacco advertising campaign

Inhaling another person's cigarette smoke is healthier for you than eating biscuits or drinking water. That is the message that many have seen in the pan-European advertising blitz by Philip Morris, US maker of Marlboro cigarettes.

The company is arguing that cancer risks from passive smoking are statistically insignificant, smaller even than "risks" such as the danger of suffering heart disease as a result of eating one biscuit a day.

But the advertisements have produced a storm of protest from health ministers. EU commissioners, the anti-smoking lobby and French, Belgian and British smokers. Even the newspapers that carry the advertisements have incurred the wrath of angry readers.

"My father died in my arms six months ago of lung cancer caused by cigarettes," one wrote to the FT. "When I see Philip Morris's regular advertisements, and the tone of such advertisements, in your otherwise so credible paper, I see red."

"We're absolutely astonished and delighted with the level of discussion," says Mr David Greenberg, director of corporate affairs for Philip Morris Europe.

The company believes passive smoking is a social problem, not a health risk. It hopes to encourage smokers and non-smokers to coexist considerately rather than let governments dictate where and when people can smoke.

Philip Morris says the anti-smoking lobby has distorted the debate by claiming passive smoking increases your chance of developing cancer. It funded a panel of independent scientists to review 40 studies of the issue over recent years: they found no relevant correlation in any of them.

The company refuses to say what it will spend on its six-week advertising blitz in newspapers and magazines in nine European countries. In the UK, industry estimates are that it is spending about £1m. So far, it has encouraged just 2,500 people in all nine countries to write in for details of the argument.

The campaign ended prematurely in France after a court blocked the ads pending a hearing on the bakers' complaint. The company also stopped them in the Netherlands, where they had been attacked by the health minister. It denies the attack was the reason for withdrawal - the ads had achieved their desired effect so "we are marshalling our resources".

Health bodies are furious with Philip Morris for singling out cancer as the only issue in passive smoking. "Smokers only inhale 15 per cent of their cigarettes' smoke," said the British Medical Association. "The rest is in the air, which equals a helluva lot of toxins. The real cost of passive smoking is not lung cancer but the effect on children



and people with asthma." Critics also say the ads' logic is flawed. Eating a biscuit is a risk smokers choose to take; many people have no choice about breathing another person's smoke. Moreover, the only risk in passive smoking is eating or drinking water.

The ads are the latest in a campaign launched in Europe a year ago by Philip Morris. It says its intent is to stimulate debate on smoking and to counter the massive weight of the anti-smoking lobby. Other tobacco companies usually join in only when it is clear there is no business risk.

"As the leader in the world, sometimes the burden falls on the leader to take action," Mr Greenberg said launching the ads in London this month.

The company is also funding pollsters who tell UK smokers what they pay in tobacco taxes and ask their opinion. Some 80,000 smokers so far have sent protest cards supplied by the pollsters to more than 530 MPs. Other manufacturing and trade association members of "the tobacco family", primed by Philip Morris, are conducting similar campaigns in Belgium, Italy, France and the Netherlands.

"As hard as they try, Philip Morris and the tobacco industry can't get a positive press because smoking is so emotional. Their campaigns try to redress the balance," says a media adviser who until recently had helped the industry fight attempted advertising bans across Europe.

"They feel the secondary cancer issue is getting out of hand in the US where the industry is on a hiding to nothing. In Europe, they are taking a crisis management position on the issue rather than be passive. Public opinion is so important, they have to create a rolling impression that turns into reality."

It is a high-risk strategy. After years when the industry refused to acknowledge smoking's health hazards, there is a wide public perception that tobacco companies are "untruthful, lying and deceitful", says the media specialist. "There's a real risk that anything signed by Philip Morris will have a lot less credibility than by anybody else. That's their nightmare."

## A Shakespearean revival on London's south bank

The reconstruction of the Globe theatre is the first stage in a mile-long riverbank renaissance, Antony Thorncroft says

On the south bank of the Thames, just upstream from Southwark Bridge and the Financial Times office, the past has materialised. The Globe, as exact a replica of William Shakespeare's late-16th-century playhouse as 20th-century expertise can achieve, is ready to admit its first audience in almost four centuries.

The first tickets have been sold, the actors start rehearsals next week and a short prologue season of Shakespeare's *Two Gentlemen of Verona* opens on August 21. A full season is planned for next summer.

"We are now financially stable and next year we will be a £2m business, visited by 400,000 people," says Mr Michael Holden, the theatre's chief executive. The Globe was the dream of Sam Wanamaker, the American actor who devoted most of his energy to the project for several decades, but who died in 1993 just before its success was assured. It has cost more than £25m, including £12.4m from the National Lottery. Another £8.5m is needed to complete the educational exhibition centre.

But the emergence of the Globe on a neglected stretch of London's south bank is not just the fulfilment of one man's personal obsession. It is the first in a series of developments which will make this mile-long stretch of the Thames one of London's main cultural and tourist attractions. The Globe is overshadowed by the disused Bankside power station, the second-largest brick building in

Britain, designed by the architect Sir Giles Gilbert Scott. It is being converted - at a cost of £100m - into the Tate Gallery of Modern Art.

Barely 100m further to the west is a remnant of the old Blackfriars railway bridge, which the Institute of Contemporary Arts has earmarked as the site of a new home when it moves out of its elegant Nash premises close to Buckingham Palace.

The existing south bank arts complex, grouped around the Royal Festival Hall, is half a mile beyond. Developed since the 1951 Festival of Britain, it includes the Royal National Theatre, which is planning a £20m redevelopment to soften the lines of Sir Denys Lasdun's brutalist building.

The South Bank Centre, which administers the complex, wants to spend £170m to refurbish the buildings between Waterloo and Hungerford bridges, covering them with a crystal canopy designed by Sir Richard Rogers, the architect behind the Pompidou Centre in Paris.

Finally, Shell's Downstream Building is being converted into a home for Trinity College of Music and a base for many of London's orchestras and musical institutions.

Many of these plans depend on National Lottery cash. To qualify, they must convince the lottery boards of the merit of their projects and raise 25 per cent of the cost themselves. The South Bank Centre has asked for £127m, the largest request for money from the lottery's arts fund.

Best placed is the Tate Gallery of Modern Art, which has already been

promised £50m by the Millennium Commission. However as one of the dozen "landmark" projects selected to mark 2000, it must raise a matching sum. The task has proved harder than expected - just £15m has been collected so far - but the Tate is well-placed to raise the cash.

The Royal National Theatre, with a good artistic reputation and a record of financial success, should also achieve its £10m appeal. But the other proposals face a more uncertain future, with business in particular proving reluctant to provide partnership funding for lottery projects.

This week the Arts Council discussed for the first time the South Bank Centre request, and said yesterday it favoured a more modest plan. It has advanced £1.2m for further development but expects to see the request for help closer to £50m when it is resubmitted next year.

The breathing space will allow the recently launched South Bank Foundation, led by Mr Elliott Bernard, the property developer, to raise more partnership funding. It might also allow Mrs Virginia Bottomley, the heritage minister, to loosen the guidelines on distributing lottery money. Initially it could only go towards capital projects. If the lottery boards could contribute to stabilisation funds - endowments to cover running costs - this might reduce the need to raise so much from the private sector.

The government could justify more flexible guidelines by stressing the economic advantages of cultural developments. This is especially true



Global ambitions: Reconstruction of Shakespeare's theatre is almost complete

on the south bank, where the boroughs of Southwark and Lambeth are among the poorest in London.

The Tate was quick to make the economic case for siting its gallery on Bankside. Its projections, produced by McKinsey, the consultants, suggest that up to 1,000 jobs could eventually be created in Southwark, and that the 2m-plus expected visitors would spend £25m a year in the borough.

The Tate can point to the success of its satellite museum in St Ives in Cornwall, which opened three years ago. Expected to attract up to 80,000 visitors a year, it is visited by more than 180,000, mostly from outside Cornwall. The Cornish economy is reckoned to have expanded by 2 per cent through the opening of the museum, according to Mr Sandy Nairn, the Tate's development director.

Glasgow has transformed its image with the Burrell art gallery, a new concert hall, a recently opened

museum of modern art and a proposed museum of Scottish art. Other UK cities to have used cultural institutions as a focus for regeneration include Birmingham, which built its Symphony Hall, Bradford, with the Museum of Photography, Leeds, where the Royal Armouries have been located, and Manchester, with a concert hall opening this autumn. The Liverpool Tate, opened in 1993, has also been a magnet for tourists.

The first signs of regeneration are visible around Shakespeare's Globe. A contemporary art gallery, Parley Hicks, opened around the corner this week, a café has appeared opposite, adjacent shops, quiet for years, have found tenants and an empty Victorian office block in nearby Southwark Street is being converted into a hotel.

The vision of Sam Wanamaker and the arrival of the National Lottery have combined to return London's long-neglected south bank to its 16th-century role as the entertainment and leisure centre of the capital.



## CURRENCIES AND MONEY

## MARKETS REPORT

## Yen weakens

By Philip Gawth

Foreign exchange markets had a well balanced day yesterday, some useful economic data from Japan in the morning, followed by a G-7 communiqué to cheer over in the afternoon.

The combination of higher than expected unemployment, and lower than expected inflation, scotched any lingering expectations of an early rise in Japanese short term interest rates, and this caused money to flow out of the yen.

It finished in London at ¥109.685 against the dollar, having earlier reached ¥109.98 in an unsuccessful effort to breach the ¥110 level. The D-Mark was also much stronger against the yen, finishing at ¥72.05, from ¥71.82, while sterling breached the ¥70 level to reach a three year high.

Overall sterling finished the week strongly, with the trade weighted index closing at 86.3,

from 85.9 on Thursday. Against the dollar it closed at \$1.5583, from \$1.5460. Against the D-Mark it closed at DM2.3651, from DM2.3526.

Disappointment at the Bundesbank's failure on Thursday to ease monetary policy proved shortlived with most interest rate markets rallying strongly, both at the long and short end, on increased confidence that the US will not shift its rates next week.

News wires were awash with their official utterances such as "G7 finance ministers should continue close co-operation in foreign markets", "intervention more likely to be effective when concerted", "G7 backs flexible exchange rate system, opposes currency tax", and "for intervention can be effective if used judiciously".

Mr Jeremy Hawkins, chief

## Dollar

DM per \$

Yen per \$

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jun 28

Closing mid-point

Change on day

Bid/offer spread

Days' bid low

One month

Three months

Six months

One year

Bank of England

Euro

Yen

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £

D-Mark

DM per £

FF per DM

Euro

Yen per £

Sterling

\$ per £


D-Mark

DM per £

FF per DM

Euro





**FINANCIAL TIMES**  
*Financial Publishing*

[illegible][illegible]

1.16	Share	88.97	100.4	-11.59	0.51
1.16	Common	115.2	120.1	-4.90	0.40
2.27	Preferred	63.21	63.21	-	4.57
3.22	Int Currency Dist	-	-	-	0.48
11.03	SE	116.7	123.7	-7.00	1.66
11.03	SE	50.1	70.0	-19.9	0.46
1.48	US Capital Growth	262.3	255.0	-7.3	1.16
1.46	Foreign Yield	70.0	69.0	-1.0	0.40
10.03	Management	50.75	52.75	-2.00	4.43
	Cost	-	-	-	-

314  
2319

**FINANCIAL TIMES**  
*Financial Publishing*



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

[illegible]



\* FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 573 4378 for more details.

[illegible]

All the business facilities and all the comfort you'd expect from a quality hotel. All at refreshingly low prices. No wonder Novotel offers the best return for your money. For more information on our 18 hotels in the UK and 300 worldwide, call 0181 748 3433.

**Capital Trust Financial Management**  
8-10 Brook St, Coleraine Co. Londonderry BT52 6  
Londonderry, Northern Ireland Tel: 028 92 527 01 Fax: 028 92 527 02

[illegible]

**NOTES**—Three: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. First: Rate of interest payable after allowing for deduction of basic rate income tax (Basic Rate). Second rate determined to take account of compounding of interest paid either once a year. "Compounded Annual Rate" (or Cc). Proximity of which interest is credited to the account.



## OFFSHORE AND OVERSEAS

● ET Cityline Host Trust Programs are available over the telephone. Call the ET Cityline Help Desk on ( +44 171 ) 873 4378 for more details.

**GUERNSEY (REGULATED)**\*\*\*[illegible]

Cuba Trust	17 0713	-	11
Consolidated (Channel Islands) Limited		-	
Greyhound Lines	May 31 25 58 39 58	-	

[illegible]










100  
 101  
 102  
 103  
 104  
 105  
 106  
 107  
 108  
 109  
 110  
 111  
 112  
 113  
 114  
 115  
 116  
 117  
 118  
 119  
 120  
 121  
 122  
 123  
 124  
 125  
 126  
 127  
 128  
 129  
 130  
 131  
 132  
 133  
 134  
 135  
 136  
 137  
 138  
 139  
 140  
 141  
 142  
 143  
 144  
 145  
 146  
 147  
 148  
 149  
 150  
 151  
 152  
 153  
 154  
 155  
 156  
 157  
 158  
 159  
 160  
 161  
 162  
 163  
 164  
 165  
 166  
 167  
 168  
 169  
 170  
 171  
 172  
 173  
 174  
 175  
 176  
 177  
 178  
 179  
 180  
 181  
 182  
 183  
 184  
 185  
 186  
 187  
 188  
 189  
 190  
 191  
 192  
 193  
 194  
 195  
 196  
 197  
 198  
 199  
 200  
 201  
 202  
 203  
 204  
 205  
 206  
 207  
 208  
 209  
 210  
 211  
 212  
 213  
 214  
 215  
 216  
 217  
 218  
 219  
 220  
 221  
 222  
 223  
 224  
 225  
 226  
 227  
 228  
 229  
 230  
 231  
 232  
 233  
 234  
 235  
 236  
 237  
 238  
 239  
 240  
 241  
 242  
 243  
 244  
 245  
 246  
 247  
 248  
 249  
 250  
 251  
 252  
 253  
 254  
 255  
 256  
 257  
 258  
 259  
 260  
 261  
 262  
 263  
 264  
 265  
 266  
 267  
 268  
 269  
 270  
 271  
 272  
 273  
 274  
 275  
 276  
 277  
 278  
 279  
 280  
 281  
 282  
 283  
 284  
 285  
 286  
 287  
 288  
 289  
 290  
 291  
 292  
 293  
 294  
 295  
 296  
 297  
 298  
 299  
 300  
 301  
 302  
 303  
 304  
 305  
 306  
 307  
 308  
 309  
 310  
 311  
 312  
 313  
 314  
 315  
 316  
 317  
 318  
 319  
 320  
 321  
 322  
 323  
 324  
 325  
 326  
 327  
 328  
 329  
 330  
 331  
 332  
 333  
 334  
 335  
 336  
 337  
 338  
 339  
 340  
 341  
 342  
 343  
 344  
 345  
 346  
 347  
 348  
 349  
 350  
 351  
 352  
 353  
 354  
 355  
 356  
 357  
 358  
 359  
 360  
 361  
 362  
 363  
 364  
 365  
 366  
 367  
 368  
 369  
 370  
 371  
 372  
 373  
 374  
 375  
 376  
 377  
 378  
 379  
 380  
 381  
 382  
 383  
 384  
 385  
 386  
 387  
 388  
 389  
 390  
 391  
 392  
 393  
 394  
 395  
 396  
 397  
 398  
 399  
 400  
 401  
 402  
 403  
 404  
 405  
 406  
 407  
 408  
 409  
 410  
 411  
 412  
 413  
 414  
 415  
 416  
 417  
 418  
 419  
 420  
 421  
 422  
 423  
 424  
 425  
 426  
 427  
 428  
 429  
 430  
 431  
 432  
 433  
 434  
 435  
 436  
 437  
 438  
 439  
 440  
 441  
 442  
 443  
 444  
 445  
 446  
 447  
 448  
 449  
 450  
 451  
 452  
 453  
 454  
 455  
 456  
 457  
 458  
 459  
 460  
 461  
 462  
 463  
 464  
 465  
 466  
 467  
 468  
 469  
 470  
 471  
 472  
 473  
 474  
 475  
 476  
 477  
 478  
 479  
 480  
 481  
 482  
 483  
 484  
 485  
 486  
 487  
 488  
 489  
 490  
 491  
 492  
 493  
 494  
 495  
 496  
 497  
 498  
 499  
 500  
 501  
 502  
 503  
 504  
 505  
 506  
 507  
 508  
 509  
 510  
 511  
 512  
 513  
 514  
 515  
 516  
 517  
 518  
 519  
 520  
 521  
 522  
 523  
 524  
 525  
 526  
 527  
 528  
 529  
 530  
 531  
 532  
 533  
 534  
 535  
 536  
 537  
 538  
 539  
 540  
 541  
 542  
 543  
 544  
 545  
 546  
 547  
 548  
 549  
 550  
 551  
 552  
 553  
 554  
 555  
 556  
 557  
 558  
 559  
 560  
 561  
 562  
 563  
 564  
 565  
 566  
 567  
 568  
 569  
 570  
 571  
 572  
 573  
 574  
 575  
 576  
 577  
 578  
 579  
 580  
 581  
 582  
 583  
 584  
 585  
 586  
 587  
 588  
 589  
 590  
 591  
 592  
 593  
 594  
 595  
 596  
 597  
 598  
 599  
 600  
 601  
 602  
 603  
 604  
 605  
 606  
 607  
 608  
 609  
 610  
 611

	Irish	British	European	US	Other	World
<b>ABB Power Management Ltd</b> ABB Power Management Ltd, Dublin 4 Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (UK) Ltd</b> ABB Power Management (UK) Ltd, London Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (France) Ltd</b> ABB Power Management (France) Ltd, Paris Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Germany) Ltd</b> ABB Power Management (Germany) Ltd, Berlin Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Japan) Ltd</b> ABB Power Management (Japan) Ltd, Tokyo Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Australia) Ltd</b> ABB Power Management (Australia) Ltd, Sydney Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Canada) Ltd</b> ABB Power Management (Canada) Ltd, Toronto Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (South Africa) Ltd</b> ABB Power Management (South Africa) Ltd, Johannesburg Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (New Zealand) Ltd</b> ABB Power Management (New Zealand) Ltd, Auckland Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Singapore) Ltd</b> ABB Power Management (Singapore) Ltd, Singapore Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Hong Kong) Ltd</b> ABB Power Management (Hong Kong) Ltd, Hong Kong Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Taiwan) Ltd</b> ABB Power Management (Taiwan) Ltd, Taipei Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Korea) Ltd</b> ABB Power Management (Korea) Ltd, Seoul Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (India) Ltd</b> ABB Power Management (India) Ltd, New Delhi Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (China) Ltd</b> ABB Power Management (China) Ltd, Beijing Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Russia) Ltd</b> ABB Power Management (Russia) Ltd, Moscow Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Brazil) Ltd</b> ABB Power Management (Brazil) Ltd, Rio de Janeiro Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Mexico) Ltd</b> ABB Power Management (Mexico) Ltd, Mexico City Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Argentina) Ltd</b> ABB Power Management (Argentina) Ltd, Buenos Aires Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Colombia) Ltd</b> ABB Power Management (Colombia) Ltd, Bogota Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Venezuela) Ltd</b> ABB Power Management (Venezuela) Ltd, Caracas Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Peru) Ltd</b> ABB Power Management (Peru) Ltd, Lima Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Ecuador) Ltd</b> ABB Power Management (Ecuador) Ltd, Quito Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Bolivia) Ltd</b> ABB Power Management (Bolivia) Ltd, La Paz Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Paraguay) Ltd</b> ABB Power Management (Paraguay) Ltd, Asuncion Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Uruguay) Ltd</b> ABB Power Management (Uruguay) Ltd, Montevideo Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Chile) Ltd</b> ABB Power Management (Chile) Ltd, Santiago Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Argentina) Ltd</b> ABB Power Management (Argentina) Ltd, Buenos Aires Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Colombia) Ltd</b> ABB Power Management (Colombia) Ltd, Bogota Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Venezuela) Ltd</b> ABB Power Management (Venezuela) Ltd, Caracas Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Peru) Ltd</b> ABB Power Management (Peru) Ltd, Lima Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Ecuador) Ltd</b> ABB Power Management (Ecuador) Ltd, Quito Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Bolivia) Ltd</b> ABB Power Management (Bolivia) Ltd, La Paz Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Paraguay) Ltd</b> ABB Power Management (Paraguay) Ltd, Asuncion Tel: 01-492 4100 Fax: 01-492 4101				90 3028	081 7877	
<b>ABB Power Management (Uruguay) Ltd</b> ABB Power Management (Uruguay) Ltd, Montevideo Tel: 01-492 4100 Fax: 0						

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

[illegible]

FINB Global Fund				
FINB Global Equity Plus	89.90	-0.08	-	
J. Rothschild International Assoc plc				

 <p>SHIGEMASA YAMASHITA</p>	 <p>SHIGEMASA YAMASHITA</p>	 <p>SHIGEMASA YAMASHITA</p>
 <p>SHIGEMASA YAMASHITA</p>	 <p>SHIGEMASA YAMASHITA</p>	 <p>SHIGEMASA YAMASHITA</p>
 <p>SHIGEMASA YAMASHITA</p>	 <p>SHIGEMASA YAMASHITA</p>	 <p>SHIGEMASA YAMASHITA</p>

## Kerry Investment Management

[illegible]

RELATED)(*)	DATE: 11/19/97
-------------	----------------

[illegible]

## LUXEMBOURG (盧森堡)

[illegible]

Commercial Union Luxembourg  
25 Place de la Gare, L-1818

[illegible]

**SECURITY INDEX**

[illegible]

## 01-29 1:00 PM

2011-2012  
\$1,512,000  
\$1,512,000

Scandinavian Equipment Rent Corp.  
24 Rue Adelaide, L-1128, Luxembourg

[illegible][illegible][illegible]

Justice Avenue, Jan. 20  
 United Nations New York

[illegible]

**E**

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

2. Next, it is important to gather relevant information and data. This can be done through research, consultation with experts, or by analyzing existing data sets.

3. Once the information is gathered, the next step is to analyze it. This involves identifying patterns, trends, and relationships that can help in understanding the problem.

4. After analysis, the next step is to develop a solution or plan. This involves identifying the most effective and efficient way to address the problem.

5. Finally, the solution is implemented and the results are evaluated. This involves monitoring the progress and making adjustments as needed to ensure the solution is effective.

11

100

1000

1. The first part of the document is a list of names and titles, including "The Hon. Mr. Justice" and "The Hon. Mr. Justice".

6. **affiliations**

8331-1

هكذا من الأصل







## NORTH AMERICA

UNITED STATES (Jun 29 / US\$)

(4 pm close)

DOW JONES

S&amp;P 500

NASDAQ

NYSE

AMEX

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

NYSE ARCA

## EUROPE

AUSTRIA (Jun 29 / Sch)

BELGIUM (Jun 29 / Franc)

DENMARK (Jun 29 / Dkr)

FINLAND (Jun 29 / Mark)

FRANCE (Jun 29 / Franc)

GERMANY (Jun 29 / Mark)

GREECE (Jun 29 / Drac)

IRELAND (Jun 29 / Pst)

ITALY (Jun 29 / Lira)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

SWITZERLAND (Jun 29 / Franc)

UNITED KINGDOM (Jun 29 / Pound)

IRELAND (Jun 29 / Pst)

NETHERLANDS (Jun 29 / Gld)

NORWAY (Jun 29 / Kr)

POLAND (Jun 29 / Zloty)

PORTUGAL (Jun 29 / Escudo)

SPAIN (Jun 29 / Ptas)

SWEDEN (Jun 29 / Krona)

Asia - Buy.  
Sell or Hold?

Speak to Peregrine, the leader in Asian equities, derivatives, country funds, fixed income securities and GDR's.

**PEREGRINE**  
Asian focus. global dimension

Hong Kong Head Office: 552 2525 1888 London Office: 44 171 845 4885

## INDICES

	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr 30	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19	Apr 18	Apr 17	Apr 16	Apr 15	Apr 14	Apr 13	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Apr 5	Apr 4	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10	Mar 9	Mar 8	Mar 7	Mar 6	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 29	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13	Feb 12	Feb 11	Feb 10	Feb 9	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	Feb 3	Feb 2	Feb 1	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sep 30	Sep 29	Sep 28	Sep 27	Sep 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14	Sep 13	Sep 12	Sep 11	Sep 10	Sep 9	Sep 8	Sep 7	Sep 6	Sep 5	Sep 4	Sep 3	Sep 2	Sep 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	Jul 31	Jul 30	Jul 29	Jul 28	Jul 27	Jul 26	Jul 25	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12	Jul 11	Jul 10	Jul 9	Jul 8	Jul 7	Jul 6	Jul 5	Jul 4	Jul 3	Jul 2	Jul 1	Jun 30	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr 30	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19	Apr 18	Apr 17	Apr 16	Apr 15	Apr 14	Apr 13	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Apr 5	Apr 4	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10	Mar 9	Mar 8	Mar 7	Mar 6	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 29	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13	Feb 12	Feb 11	Feb 10	Feb 9	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	Feb 3	Feb 2	Feb 1	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sep 30	Sep 29	Sep 28	Sep 27	Sep 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14	Sep 13	Sep 12	Sep 11	Sep 10	Sep 9	Sep 8	Sep 7	Sep 6	Sep 5	Sep 4	Sep 3	Sep 2	Sep 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	Jul 31	Jul 30	Jul 29	Jul 28	Jul 27	Jul 26	Jul 25	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12	Jul 11	Jul 10	Jul 9	Jul 8	Jul 7	Jul 6	Jul 5	Jul 4	Jul 3	Jul 2	Jul 1	Jun 30	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr 30	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19	Apr 18	Apr 17	Apr 16	Apr 15	Apr 14	Apr 13	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Apr 5	Apr 4	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10	Mar 9	Mar 8	Mar 7	Mar 6	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 29	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13	Feb 12	Feb 11	Feb 10	Feb 9	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	Feb 3	Feb 2	Feb 1	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sep 30	Sep 29	Sep 28	Sep 27	Sep 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14	Sep 13	Sep 12	Sep 11	Sep 10	Sep 9	Sep 8	Sep 7	Sep 6	Sep 5	Sep 4	Sep 3	Sep 2	Sep 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	Jul 31	Jul 30	Jul 29	Jul 28	Jul 27	Jul 26	Jul 25	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12	Jul 11	Jul 10	Jul 9	Jul 8	Jul 7	Jul 6	Jul 5	Jul 4	Jul 3	Jul 2	Jul 1	Jun 30	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr 30	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19	Apr 18	Apr 17	Apr 16	Apr 15	Apr 14	Apr 13	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Apr 5	Apr 4	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10	Mar 9	Mar 8	Mar 7	Mar 6	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 29	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13	Feb 12	Feb 11	Feb 10	Feb 9	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	Feb 3	Feb 2	Feb 1	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sep 30	Sep 29	Sep 28	Sep 27	Sep 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14	Sep 13	Sep 12	Sep 11	Sep 10	Sep 9	Sep 8	Sep 7	Sep 6	Sep 5	Sep 4	Sep 3	Sep 2	Sep 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------



## WORLD STOCK MARKETS

## AMERICA

## Techs rebound again as bonds support Dow

## Wall Street

US shares moved higher at midsession as bond prices jumped and technology shares rebounded for a second day from the sharp weakness that plagued the sector for most of this month. *Lisa Branstetter in New York*

By early afternoon, the Nasdaq composite was 18.38 stronger at 1,182.39, recovering some of the loss of nearly 100 points it had sustained since hitting a high of 1,249.15 on June 5. The Pacific Stock Exchange technology index was 1.5 per cent stronger.

Rising computer-related shares included Dell Computers, 2.24 stronger at \$50.7, Intel, up 2.24 at \$47.7, Sun Microsystems, which was \$1.11 stronger at \$59.7 and America Online, up \$1.41 at \$45.7.

Internet-related shares were also mostly stronger, with the American Stock Exchange Internet index up 2.1 per cent. Spyglass added \$1.4 at \$20.7, Cybercash was \$5.74 stronger at \$2.74 and Yahoo! climbed \$1.4 to \$20.

Hopes that the Federal Reserve would not move to slow the economy by raising interest rates at next week's meeting of its Open Market Committee helped the bond market and index of longer stocks. At 1 p.m. the Dow Jones Industrial Average was 7.39 stronger at 5,894.92, the Standard & Poor's 500 rose 3.33 at 971.77 and the American Stock Exchange composite added 4.48 at \$74.61. NYSE volume was 288m shares.

In individual shares, HFS climbed \$2.04 or 4 per cent to \$66.00 on rumours that the hotel and real estate company would buy Avis, the US car rental company. Planet Hollywood shares jumped \$4.00 or 18 per cent to \$26.00 on news that it had entered into a joint venture with ITT to develop casinos in Las Vegas and Atlantic City. Shares in ITT gained 5% at \$65.74.

## Prospects clouded by US interest rate outlook

Philip Coggan, Markets Editor, reviews the first six months, and prospects for the second half of 1996

Equity investors have enjoyed a positive start to 1996, the FT S&P World Index gaining more than 5 per cent in dollar terms in the first half. But with many analysts expecting the next move in interest rates to be up in the US, Japan and Germany, the second half of the year may present a more difficult environment for investors.

Corporate earnings should be rising, as previous interest rate cuts in the leading industrialised countries start to feed through into more rapid economic activity.

Mr Jonathan Francis, head of global strategy at Putnam Investment Management in Boston, expects to see a coordinated strengthening of economic growth in the second half, with further above trend expansion in the US, a rebound for Europe and continued growth in Japan. "This is the first period of synchronous growth since the late 1980s," he says. "The International Monetary Fund is looking for 3.5 per cent world output growth in 1996

(the fastest since 1989) and 4.5 per cent in 1997 (the fastest since 1988)."

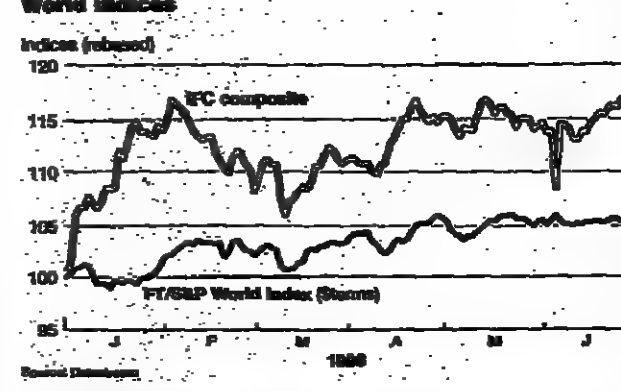
In spite of the rebound in growth, Mr Francis thinks that inflation will remain stable. "Given the large output gaps in Japan and Europe, I find it hard to believe that inflation is going to be a threat within the next 18 months," he adds.

This scenario should be good for equity markets, he says. "There will be healthy top-line growth, particularly in the US and Japan, and restructuring efforts by businesses worldwide should lead to bottom line growth."

Mr John Reynolds, the global strategist at NatWest Securities, takes a more cautious line. "The balance of probabilities still points to further volatility in US bonds," he says. "It normally takes a seven to nine month time lag for equities to follow a decline in bonds. The US Treasury bond started to weaken early this year. Accordingly we may find that, over the next three to six months, cash does well."

Mr Reynolds has reduced the weighting of equities in his

## World Indices



global portfolio. "Wall Street may reach 6,000 but the closer it gets to that level, the less I want to own it," he says. "If Wall Street does fall then everything else suffers, although Japan may be a defensive play as the least correlated with the US of the major markets."

Also unenthusiastic about Wall Street is Mr Mark Brown, head of strategy and economics at ABN-Amro Hoare Govett. He says that the rise in bond

of the year, with the FTSE & P Europe index gaining some 8 per cent in local currency terms, but the strategy team at ABN-Amro is not optimistic about further advances in European equities over the rest of the year.

"The strong performance from European equity markets has been driven in large part by expectations of a rebound in economic growth through the second half of the year and in 1997," the team says in its latest research note. "If markets have moved to price in recovery, the time has come to move the story on."

The note continues: "Given the relatively subdued nature of the economic rebound that we are forecasting, we need to focus on earnings implications; here the news is not good. Consensus forecasts are falling for 1996, and 1997 estimates are also starting to edge down. But within Europe, the team is overweight Italy and Spain, as their equities could receive a boost from re-rated domestic bond markets."

The emerging markets have been one of the world's stron-

gest sectors this year, with the IFC Composite index up 11.5 per cent by June 26. Investors appear to be regaining confidence after the shock of the Mexican devaluation crisis in December 1994.

Mr Nigel Rendell, emerging market strategist at HSBC James Capel, says: "The short term horizons are clouded by the outlook for US interest rates, but a small increase in rates will not hurt that much. The arguments in favour of emerging markets - deregulation, reform and strong economic growth - remain in place."

He is enthusiastic about selected parts of Latin America, notably Argentina where he sees the market rising by 30 to 35 per cent in the second half. In eastern Europe, Mr Rendell thinks Poland looks a good bet. "Inflation is coming down, interest rates are declining, and what happens in the US is neither here nor there." In Asia, he says: "India is an excellent market over the longer term, and now trades on only a price/earnings ratio of 12 based on 1996 earnings."

## EUROPE

## M-Dax stocks stand out in second quarter of 1996

Suggestions that next week's FOMC meeting would not raise US interest rates lifted Frankfurt, where bund futures rose and where the Dax index closed 18.64 higher at 2,570.44 at the end of the trading session. Turnover fell from DM5.2bn to DM3.7bn.

Over the first six months of 1996, the Dax 30 showed a gain of 13.5 per cent, but most of that was concentrated in the first quarter, said Mr Eckhardt Frahm at Merck Finck in Düsseldorf. Meanwhile, the M-Dax, covering the 70 shares immediately following the 30 in the Dax 100, rose 10.3 per cent in the second quarter after a 1.7 per cent gain in the first three months of this year.

Medium-sized companies with strong investment themes were leading the pack, said Mr Frahm: Fresenius, on prospects after its US dialysis merger; Adidas, surging on the year's big sporting events; and SGL

Carbon and Schwarz Pharma which, with Hoechst and Veba in the Dax 30, were the leading exporters of the year's outstanding theme - shareholder value.

ZURICH extended early gains to close at an all-time high, with X Holding at the centre of the day's rumour mill. The SMI finished 35.5 higher at 3,782.5.

CS Holding added SPRI to SPRI19 as the bank declined to comment on suggestions that it planned to sell a subsidiary, was restructuring its management, or planned a co-oper-

ation pact with Germany's Deutsche Bank.

Among insurers, Swiss Re advanced SPRI15 to SPRI1225 and Zurich Insurance was SPRI2 up at SPRI341.

Bank Baer recommended both on the view that the shares were undervalued while ABN-Amro Hoare Govett upgraded Zurich Insurance.

Shares in Nokia-Mallor Holding, controlled by Finland's Nokia, soared SPRI6 to SPRI336 after the company reported an upturn in orders and the acquisition of three cable machinery makers in the US, Canada and Brazil.

PARIS followed the crowd, the CAC-40 index rising 10.85 to 2,123.70 in turnover of FF4.19bn, but had its own flavour. There was enthusiasm for Générale deaux, up FF21, or 3.3 per cent, to FF797 after the replacement of its former 75-year-old chairman by a 39-year-old high-flyer.

## FT-SE Actuaries Share Indices

Index	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44

On the week: FT-SE 100: 1080.02 to 1085.45; FT-SE 250: 1715.50 to 1720.44. Data after 15.00 (BST/EST). Rights: 100 = 100.00; 200 = 1720.00; 300 = 1717.17; 1 point = 1 point.

At Eurotunnel, however, the professionals' scepticism about prospects for the company's diminishing equity base finally sank in, the shares closing 85 centimes, or 10.1 per cent, lower at FF7.15.

AMSTERDAM talked about window dressing as the AEX index rose 3.85 to 560.33. But KLM rose FF1.20 to FF54.80 after an outperform rating for the airline from Mr Guy Kekwick at Lehman Brothers. Heijmans, the construction group, climbed FF.80, or 4.7

reports that it had won the licence to manage Israel's long distance telephone network.

Gemina, the financial holding company, added L14.3 to L83.9 in spite of its announcement of restated 1995 results that showed higher losses than previously released.

ISTANBUL leapt 3.3 per cent as the Istanbul Welfare Party edged closer to forming a coalition with the conservative True Path Party of Mr Tansu Ciller. The IMKB-100 index rose 2,289.34 to 70,489.23, with demand centred on state-sector shares and textiles. Turnover jumped to TL8,070bn from TL5,720bn on Thursday. The most active shares were those of the largely state-owned steel giant Ereğli, which gained TL8.00 to TL9.00.

Written and edited by William Coghane, Michael Morgan and Jeffrey Brown

## ASIA PACIFIC

## Dollar's rise helps high-tech stocks

## Tokyo

Interest rate worries receded thanks to Thursday's weaker than expected industrial production figures, and the Nikkei average closed marginally higher, writes *Emiko Terazono in Tokyo*.

The 225 index rose 39.14 to 22,530.75. It moved between 22,613.04 and 22,460.91, rising in the morning but declining later on profit taking.

Volume totalled 387m shares against 412m. The Topix index of all first section stocks rose 0.34 to 1,712.45 and the Nikkei 500 fell 0.58 to 317.58. Advances had declined by 585 to 480 with 184 unchanged.

In London, the ISE/Nikkei 50 index rose 4.11 to 1825.51. The decline in long term interest rates helped the dollar against the yen. The dollar's rise in turn encouraged buying of export oriented stocks, including high-technology issues.

Sharp rose Y20 to Y1,920 and Minolta Y21 to Y33. Nissan Y8 to Y378 and Suzuki Motor Y20 to Y1,440.

Other carmakers, however, were hit by profit-taking, with Toyota Motor losing Y40 to Y2,640 and Honda Motor Y40 to Y2,640. The issues had recently gained ground on active buying by foreign investors.

Sumitomo Corporation, the trading house which had slumped on unauthorized copper trading losses, recovered Y18 to Y974.

Real estate stocks met profit-taking, having gained ground earlier in the week. Mitsui Fudosan declined Y20 to Y1,480 and Mitsubishi Estate lost Y30 to Y1,510.

In Osaka, the OSE average rose 37.96 to 23,801.17 in volume of 344m shares.

**Roundup**

A combination of profit-taking and political fears took BOMBAY down, and the BSE 30 index lost 37.85 at 3,811.25.

The prospect of communists joining the government for the first time hit the broad market. Speculative positions were unwound in Reliance, which fell Rs6.5 to Rs212, but East India Hotels added Rs30 to Rs214.

## THE WEEK'S CHANGES

Index	% Change
Jakarta	+3.7
Taipei	+2.4
Manila	+2.0
Bangkok	+0.9
Tokyo	+0.6
Bombay	-0.9
Seoul	-4.7

Rs720 ahead of its results, released after the close.

JAKARTA's composite index closed 2.22 up at 594.35, industrial and property stocks leading the upturn. Lippo Karawaci made a strong debut, rising to Rp3,500 from a flotation price of Rp3,250.

MANILA saw strong interest in the new issue, Empire East Land, spill over into other selected shares. The composite index closed up 18.73 to 3,875.24.

Singapore, a housebuilder and the biggest flotation this year, ended at 16 pence, after a high of 16.75. The group was floated at 13.90 pence.

BANGKOK bargain hunting underpinned selected blue chips, the SET index closing

9.98 up at 1,947.05. One analyst said most investors believed the market had reached a low and were buying shares with good fundamentals.

SINGAPORE bought blue chips and the Straits Times Industrial index ended 7.85 higher at 2,296.21.

But Amcol, off nearly 30 per cent on Thursday following news of a government probe, recovered only modestly, adding two cents at \$33.12, and Singapore Telecom closed 16 cents lower at \$43.76 after a pricing of 50k shares.

SEOUL braked after a five-day retreat and the composite index closed up 3.40 at 823.40, after a high of 832.99. Dealers said there was bargain hunting after recent losses. Blue-chips led the resurgence. Hyundai Motor gaining Won300 to Won30,000. Samsung Heavy Industries jumped Won700 to Won1,400 on speculation over a government order.

TAIPEI retreated after a 14-month peak on Thursday, the weighted index losing 30.15 at 6,507.05. The market was said to have undergone a high-profile correction.

## LIFFE EQUITY OPTIONS

Index	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44

## RISERS AND FALLS

Index	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44

Data based on those compiled daily by the London Stock Exchange

## TRADITIONAL OPTIONS

Index	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44

On the week: FT-SE 100: 1080.02 to 1085.45; FT-SE 250: 1715.50 to 1720.44. Data after 15.00 (BST/EST). Rights: 100 = 100.00; 200 = 1720.00; 300 = 1717.17; 1 point = 1 point.

## LONDON RECENT ISSUES: EQUITIES

Index	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44

Alternative investment market. For a full explanation of all other symbols please refer to The London Stock Exchange website.

## RIGHTS OFFERS

Index	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44

On the week: FT-SE 100: 1080.02 to 1085.45; FT-SE 250: 1715.50 to 1720.44. Data after 15.00 (BST/EST). Rights: 100 = 100.00; 200 = 1720.00; 300 = 1717.17; 1 point = 1 point.

## FINANCIAL TIMES EQUITY INDICES

Index	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44

On the week: FT-SE 100: 1080.02 to 1085.45; FT-SE 250: 1715.50 to 1720.44. Data after 15.00 (BST/EST). Rights: 100 = 100.00; 200 = 1720.00; 300 = 1717.17; 1 point = 1 point.

## FT GOLD MINES INDEX

Index	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44

On the week: FT-SE 100: 1080.02 to 1085.45; FT-SE 250: 1715.50 to 1720.44. Data after 15.00 (BST/EST). Rights: 100 = 100.00; 200 = 1720.00; 300 = 1717.17; 1 point = 1 point.

## TRADEPOINT INVESTMENT EXCHANGE

Index	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44
FT-SE 100	1085.35	1084.95	1085.45	1085.15	1084.75	1085.25	1085.45
FT-SE 250	1720.41	1719.13	1720.75	1720.24	1719.80	1720.45	1720.44















**LEISURE & HOTELS - Cont.****OTHER FINANCIAL - Cont.****PROPERTY - Cont.**

### SUPPORT SERVICES - Cont.

**ANN - Cont.**

## PAPER, PACKAGING & PRINTING

**RETAILERS: FOOD**

## TELECOMMUNICATIONS

## TEXTILES & APPAREL

**RETAILERS GENERAL**

## PHARMACEUTICALS

**TOBACCO**

## TRANSPORT

**RETAILERS GENERAL - Cont.**

## 7 SUPPORT SERVICES

## WATER

## AIM

## OIL INTEGRATED

## OTHER FINANCIAL

## LEISURE & HOTELS


**Rockwell**



## Yeltsin health fears grow after missed engagement

By Chrystia Freeland in Moscow

Russia's political uncertainty deepened yesterday when President Boris Yeltsin skipped an important meeting, sparking concerns ahead of presidential elections that he may be suffering serious health problems.

Senior government officials said Mr Yeltsin was troubled by a "sore throat" brought on by a hectic campaign schedule. But the 55-year-old president's failure to appear in public since Wednesday has prompted fears that he may have suffered another of the strokes which sent him to hospital twice last year.

A serious ailment could derail Mr Yeltsin's bid to be re-elected in a run-off against his Communist rival, Mr Gennady Zyuganov, on Wednesday, possibly forcing a postponement of the poll - a move which might impose an unbearable strain on Russia's fragile democracy.

What aides described as Mr Yeltsin's "indisposition" sent Russian stocks and bonds tumbling from this week's highs, as investors considered the news a boost to the efforts of Mr Zyuganov.

President's hectic schedule has caused sore throat, officials say

Nov. Mr Yeltsin's illness has also renewed worries about the Kremlin infighting which will threaten to dominate Russian politics if the president is re-elected but proves too frail to control the rival factions in his entourage.

A series of strongly anti-western comments made this week by Mr Alexander Lebed has fuelled fear about the increasingly powerful role of the former general, who was brought into the Yeltsin team as security chief last week in a bid to win over the nationalist vote.

Concern over Mr Yeltsin's condition mounted yesterday morning when he failed to make a planned appearance before a group of farmers at the Kremlin. He last appeared in public at a military graduation ceremony on Wednesday morning.

Mr Victor Chernomyrdin, who as prime minister would automatically take over if the president were to die or become incapacitated, took the president's

place yesterday. He said Mr Yeltsin would not address them because "the stress that he has experienced and is experiencing in these days has, to a certain extent, affected his voice".

The prime minister offered Kremlin watchers further reassurance by flying to Lyons in the afternoon to make a scheduled appearance at the Group of Seven meeting being held there over the weekend.

In the afternoon, Kremlin officials sought to calm investors and voters. "I believe all of us have some health problems. This depends on how we live our lives," said Mr Victor Ilyushin, the president's top aide.

Mr Ilyushin would not say when Mr Yeltsin would reappear in public but said the president met advisers yesterday. Russian television showed recorded footage of what announcers said was the meeting, including a brief glimpse of a putty-faced Mr Yeltsin wearing a suit and surrounded by advisers.

## Japanese jobless rate rises to record of 3.5%

By William Dawkins in Tokyo

Japanese unemployment rose to 3.5 per cent last month, the highest since records began in 1953 and proof that the economic recovery has not relieved the pressure on jobs.

The government's management and co-ordination agency attributed the rise, from 3.4 per cent in April, to a sharp increase in the number of people seeking work after being encouraged by signs of an economic upturn.

The economy grew at an annualised rate of 12.7 per cent in the three months to March, the fastest for 23 years. Yesterday's job setback will fortify the ruling Liberal Democratic party's attempts to persuade a reluctant finance ministry to compensate for the impending exhaustion of the most recent package - worth ¥14.230bn (\$13.45bn), in September.

The number of jobless rose by 320,000 people, or 18.4 per cent, to 2.4m in the year to May, much more than the 0.1 per cent increase in numbers employed over the same period. "More and more people are coming on to the job market, but the economic recovery cannot absorb them all," an agency official said.

Within the rise in the number out of work were a record 50,000 young graduates. Another 160,000 people said they had left jobs in search of higher pay or started to look for work after a period, at home, while 90,000 lost their jobs because their companies ceased trading or closed.

Worst hit were young people, kept out of work by a continued recruitment freeze among many companies, and the late middle-aged, victims of early retirement. The jobless rate among 15 to 24-year-olds rose by 1.6 percentage points to 7 per cent, while the unemployment rate among 55 to 64-year-olds rose by 0.8 points to 5.5 per cent.

The figures support a survey earlier in the week, showing that just over half of Japanese companies want to abandon the tradition of lifetime employment. There was, however, a small glimmer of encouragement in the form of a fractionally stronger labour market.

The number of jobs available per 100 applicants rose from 67 in April to 68 last month, continuing the gradual improvement from a trough of 61, at which the ratio was stuck for three months until September, the labour ministry said.

"The situation is not as bad as it looks. The underlying signs are that the labour market has turned," Mr Russell Jones, economist at Lehman Brothers in Tokyo, said. Separately, the agency confirmed yesterday that inflation remained almost non-existent.

## THE LEX COLUMN

## Hollywood hits Vegas

Hard Rock may have got there first, but Planet Hollywood's link-up with ITT to develop themed casinos in hot spots like Las Vegas is likely to upstage its rival. ITT provides not only considerable expertise and brand strength in the gaming industry but also a strong balance sheet. By relying on ITT to fund the two projects in Las Vegas and Atlantic City, in return for an 80 per cent stake in the joint venture, the project looks virtually risk-free for the themed restaurant chain. And for ITT there is an opportunity to use the Planet Hollywood name to leverage its own Caesars brand.

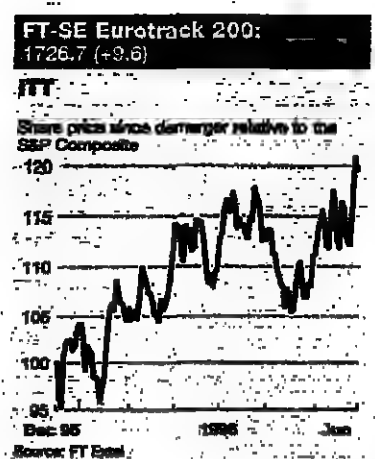
The move goes some way to justifying the extraordinarily high price/earnings ratio which Planet Hollywood has enjoyed since flotation just over two months ago. The management is pressing ahead with plans to exploit the strength of the five-year-old brand. Of course, the venture will not generate earnings for several years. But there is considerable scope for expansion, if the concept proves as successful as early indications from the Hard Rock Casino and Hotel in Las Vegas suggest.

The gaming industry has not proved particularly attractive to punters from the investment community. US laws are being loosened but the amount of gambling money which can be teased out of Americans' pockets is not infinite, and competition is mounting. But the casino-restaurant-hotel formula could help draw in the younger end of the market which has tended to elude traditional venues. And the few winners may just clear up.

### Lombro

Splitting Lombro into three is actually easier than dividing it into two. The original idea of demerging the group's mining interests would have triggered horrific tax problems. The intention now is to leave mining as it is and to float, in rapid succession, the hotels division and the African trading businesses. The key to the whole process is the \$388m deal to buy back the one third of Metropolis Hotels from Libya's Lafico investment company. At over 40 times last year's earnings, it may look as if Lombro is paying through the nose. But with the Libyan stake removed, a flotation becomes possible. Moreover, with the stock market currently keen on hotel companies, Lombro could extract around \$700m from floating the division.

The African trading business - which is also due to be floated - is more difficult to value. Africa is not yet an emerging market in the sense of Asia or Latin America, though Lon-



rho's chosen areas of agriculture and motor retailing have potential. Investors should also be comforted by the fact that Mr Dieter Rock, chief executive, who will run this company, intends to take a 20-25 per cent stake in it. According to analysts, this business could also be worth up to £700m.

After the two flotations, Lombro would consist of a mining company with net assets of roughly £1bn and a cash pile of around £600m. There should be scope to hand most of the cash back to shareholders. And though mining companies typically trade at a discount to net assets, this should be minimal since Anglo American's 28 per cent stake will keep bid speculation alive. By that logic, Lombro's break-up value is about £1.6bn - a modest premium to the current £1.4bn market capitalisation.

### Labour pensions policy

What is most significant in the British Labour party's new pensions policy is what it leaves out. Expensive improvements to the state scheme have all been ditched. And there is no mention of the grand new government-sponsored scheme Labour previously flirted with. Instead there is a more modest model: encouraging the creation of group schemes for people without occupational pensions. Under this plan, the government would play only a minor role - setting standards for schemes, but having nothing to do with running them.

This is all sensible enough. Group schemes have an obvious attraction: because costs are shared, they can be much better value than personal pensions. For this reason, their popularity is already growing. The question is what, for all its flurried talk about stakeholding, a Labour government could

actually do to promote them further. Giving schemes government approval may help a bit if it persuades people they are unlikely to be cheated. So could simplifying the regulatory regime, although this is something the current government claims it is already working on. Relaxing the rules to turn pensions into "individual savings accounts" accessible before retirement would also help - although its high cost makes this option unlikely.

Meanwhile Labour has shied away from the really potent weapons - forcing people to save, or compelling employers to contribute. By not fattening the state scheme, it should indirectly find private pension providers some new customers. That aside, the industry has little to gain from a policy that looks a carefully calculated damp squib.

### Building societies

A small example of how little remains of the free-market zeal of the 1980s is provided by the current debate on building society takeover protection. Few voices are heard in favour of relaxing the defences; indeed, most of the lobbying in advance of new legislation scheduled for the autumn is aimed at making it even harder to acquire societies.

Take the pressure to outflow, when a society converts to a bank, any financial reward to those who have been members for less than two years. The stated aim is to prevent "carpetbaggers" from enjoying the assets built up by previous generations of members. The less noble effect would be to frustrate bids. For a society to convert to a bank, at least half its members must vote. Achieving such a high turnout is hard enough when all members can be offered a financial inducement; it would be virtually impossible if only those of greater than two years' standing - roughly two-thirds of the electorate - could be rewarded.

Societies already have far too much protection from takeover anyway. Unlike normal companies, they are not required to inform their members of bona fide bids. And, if they convert to banks, even a friendly takeover is not allowed for five years.

Whom do these barricades protect? Certainly not the members, who lose the opportunity of a takeover premium. The main beneficiaries are building society top management and regulators at the Building Societies Commission who would have no role if societies disappeared. Not surprisingly, they are also keen advocates of keeping the defences strong.

## G7 summit

Continued from Page 1

debating a US proposal to change public accounts to reflect "the economic value of air, water and soil quality", and to improve the measurement of resources such as "forests, minerals and fish".

Meanwhile, Mr Carl Bildt, the international mediator on Bosnia, told the leaders he hoped efforts to remove Mr Radovan Karadzic, the Bosnian Serb leader, would soon succeed. Britain said the option of renewed sanctions against the Bosnian Serbs should still be held in reserve.

The leaders were joined yesterday by Mr Victor Chernomyrdin, Russia's prime minister, for talks on issues including international crime, money laundering and nuclear security.

## Islamists

Continued from Page 1

heritage of Kemal Ataturk, founder of the secular republic. Refah members complained of interference without directly mentioning the army. Mr Riza Uluucak, Refah's assistant chairman, said: "Some people have illegally tried to prevent this government from being formed."

There is also uncertainty about the status of parliamentary committees probing corruption allegations against Mr Ciller. Refah, supported by Motherland, launched three investigations against her, successfully bringing down her short-lived coalition with Mr Yilmaz.

Halting the committees is said to be one of Mrs Ciller's demands in talks with Refah.

## Bonn faces defence budget cut to meet Maastricht criteria

By Michael Lindemann in Bonn

Mr Volker Rühe, Germany's defence minister, faces a humiliating setback next week when he is expected to have to cut about DM7700m (\$465m) from his 1997 budget so that the country can meet the Maastricht budget deficit criteria.

The latest cuts, which come just weeks after Mr Rühe had to find savings worth DM1.1bn in this year's budget, are likely to affect a number of high profile European defence projects such as the Future Transport Aircraft (FTA) and a series of Franco-German weapons projects.

The cuts are a blow for Mr Rühe because he has been told by Mr Theo Waigel, finance minister, that the budget, expected to be fixed at about DM48.3bn, will have to be kept around this level until 2000.

Officials in Bonn said Mr Rühe had described the cuts as "unacceptable" and was determined to take them up with Chancellor Helmut Kohl before they were finalised at a cabinet meeting on July 10.

However, Mr Kohl has apparently warned his defence minister that the cuts are not negotiable and must be met so that Germany's 1997 budget deficit is below the 3 per cent specified in the Maastricht treaty for monetary union.

"Mr Rühe can't live with those cuts but he has been told outright that there is no room for

manoeuvre," an analyst said. Analysts believe the latest defence cuts, which were "worse than predicted", will force a discussion about the future of Germany's 340,000-strong conscript army, Europe's largest.

Although Mr Kohl and other leading politicians have vowed to hold on to the idea of military service, they must trade off its benefits against the future of a number of important arms procurement projects.

Immediately after the last federal elections in October 1994, Mr Rühe had been promised that his already depleted budget would be set at DM48.5bn until 1998.

But according to Mr Heinz Schulte, a Bonn-based defence analyst, the latest cuts mean that, in real terms, the German defence budget will lose up to DM12bn between now and 2000.

Mr Rühe's spending power in 1997 is expected to be even lower because he has to find an extra DM300m to pay for the German troops stationed in Croatia, and has to make an unspecified further provision for the fact that troops are likely to stay several months into 1997.

Apart from the FTA project - the future generation of military transport aircraft which eight European air forces are planning - the latest cuts are also expected to affect the MRAV, a new armoured personnel carrier project which the Germans and the French are working on and which Britain is expected to join.

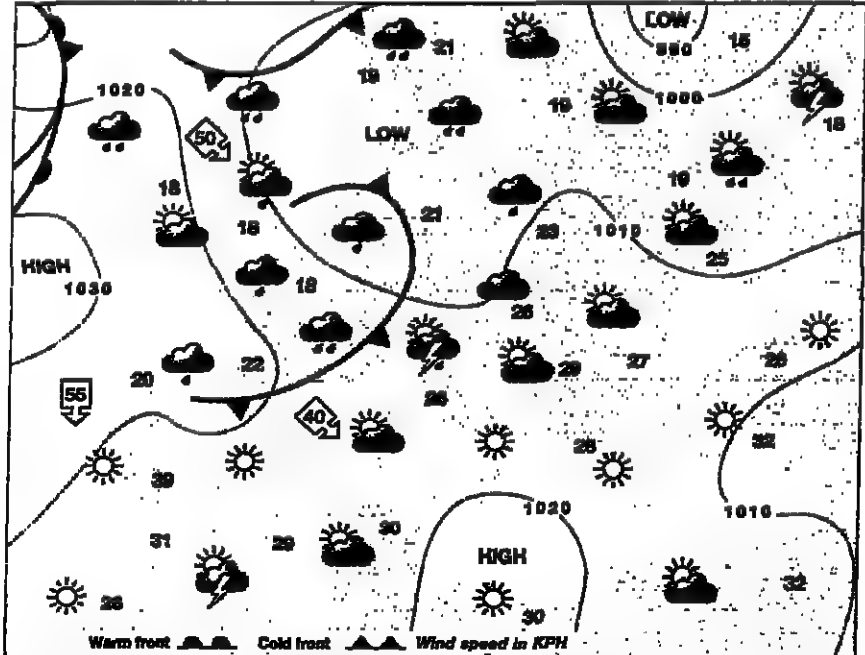
## FT WEATHER GUIDE

### Europe today

Strong north-westerly winds will accompany light showers in Scotland and eastern England. Ireland and other parts of England will remain dry with sunny spells. The Benelux, eastern France, Germany and the Alps will have rain. Southern Scandinavia and Poland will be overcast and will have showers. Meanwhile, a weak ridge of high pressure will bring dry conditions with sunny spells to the Baltics. Central and southern parts of Italy will be sunny. Turkey, Greece, Spain and Portugal will have plenty of sunshine. Temperatures will reach 39C in southern Spain.

### Five-day forecast

Showers and thunderstorms will sweep into eastern Europe and the Baltics on Sunday and Monday, but clearing is expected on Tuesday. It will continue to be unsettled in the British Isles, the Benelux and central Europe. Southern Scandinavia will continue cloudy. It will be sunny and hot in southern France from Monday, with temperatures rising above 30C. Spain and Portugal will continue sunny and hot.



### TODAY'S TEMPERATURES

Location	Maximum	Minimum	Location	Maximum	Minimum	Location	Maximum	Minimum
Abu Dhabi	34	28	Beijing	28	17	Frankfurt	21	14
Algiers	31	24	Bombay	31	24	Geneva	21	14
Amsterdam	17	10	Buenos Aires	28	17	Hamburg	19	12
Athens	28	21	Calcutta	31	24	Heidelberg	18	11
Bahia	33	26	Caracas	31	24	London	18	11
Bangkok	35	28	Cairo	35	28	Madrid	25	18
Barcelona	31	24	Chennai	31	24	Moscow	21	14
			Dhaka	31	24	Nairobi	24	17
			Hong Kong	31	24	Paris	21	14
			Kuala Lumpur	31	24	Rome	27	20
			Manila	31	24	Sao Paulo	28	21
			Seoul	28	21	Singapore	32	25
			Taipei	31	24	Stockholm	18	11
			Tokyo	28	21	Sydney	24	17
			Yokohama	28	21	Tel Aviv	31	24
						Wellington	11	4
						Winnipeg	19	12
						Zurich	21	14

No other airline flies to more cities around the world.

**Lufthansa**

## Lease Plan. A unique open approach to vehicle leasing.



Lease Plan provides a unique vehicle leasing and fleet management service.

Like many of our competitors we only charge precisely what we quote. But unlike other vehicle leasing companies, we refund any savings we make.

We believe it's only fair that if the basis of the original calculations change, such as maintenance, depreciation, or residual value, we either absorb any loss, or we refund customers any surplus.

Last year alone, our customers benefited by more than £3 million. And you'll know precisely what your fleet costs because all our calculations are visible and open to inspection.

To find out more, about how Lease Plan can help you find your way around the vehicle leasing jungle, simply telephone or complete the information request below.

**0345 65 60 65**

Send this information request to Lease Plan, Prospect, PO Box 63, London NW3 6YP

Please send me further details of Lease Plan's unique vehicle leasing and fleet management service.

Name: \_\_\_\_\_ Surname: \_\_\_\_\_ Other names: \_\_\_\_\_

Job: \_\_\_\_\_ Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Tel No: \_\_\_\_\_ Fleet Size: \_\_\_\_\_ Method of Acquisition: \_\_\_\_\_

**Lease Plan**  
A fair deal in an unfair world



# Weekend FT

## Unknowns in search of the movie magic

Nigel Andrews meets the humble film extras, the oddjobbing hopefuls, who toil for a chance at the big time in Hollywood

**T**eenager Gilbert escaped Los Angeles' gangland to earn money as a Mexican vampire. Vertically challenged Susie (3ft something) earned \$50 a day as a remote-controlled penguin. British-born Arthur, 91, relived the American Civil War as a soldier, a carthumper and the man you mistook for actor Leslie Howard. And 60ish Millie, now head of the Hollywood Extras Committee, came from Texas 20 years ago and found work as a wicked fairy.

For almost a century movie extras, or "background players" as we must begin calling them in these politically correct times, have filled up those corners of a screen not occupied by superstars or special effects. This summer a few hundred of them will once more be on show - target practice for the villains in *Mission Impossible*, fodder for vampire-killers in *From Dusk Till Dawn*, barflies who get in Arnold Schwarzenegger's way in *Eraser* - as the American blockbuster season restarts.

We all know why Hollywood is unique. It is a factory town where those employees called performers can do a hundred different jobs while staying in the same one, and where the humbler your grade the wider your choices. Players who are latched upstairs into stardom like Cruise or Costner must spend their days sitting behind an immutable persona, letting each new role submit to their mannerisms. But extras are a whole different story.

These are the oddjobbing unknowns who dream of fame while wearing the Cinderella rags of day-long drudgery. Despite the grim hours and conditions - on set as early as five, off as late as midnight, and six hours before anyone has to feed you - you might be the one who ends up going to the Hollywood hall. And you might leave your image like a glass stopper on the steps of Warner, Fox or Paramount. That is what happened to Monroe, Stallone, Travolta and Bruce Willis, just four famous names who began as part of the human scenery.

Today, with cinema noticeably in decline, those wannabe

stars still hire themselves out by the tens of thousands. Clocking into Central Casting's bunker-like HQ in North Hollywood, the lucky ones will go on to earn \$72 a day, although most of those will end up as a distant shape in a street scene or (no less likely) a snippet of celluloid on the cutting room floor.

For a slight pay increase - \$80-100 a day - they can be special-duty extras and endure even worse treatment. Midget actors like Susie Rossitto, whose father did stand-in work for silent horror star Lon Chaney, and Jerry Marren, who began 60 years ago as a singing Munchkin in *The Wizard of Oz*, climb into overnight creature costumes for *Star Trek* or *Star*

**When not struggling to see, hear and stay continent, an extra may be struggling to stay awake**

*Wars*. And chorus dancer Bobbie Bates has spent weeks rehearsing and shooting numbers for films like *Moray* and *Punchy Girl*, only for her work to end up in one shot or none. Boredom, discomfort, bad pay. Why do it? "Everybody's dream is to be on a movie set and become a star," says Bates. "You think you're gonna have a magical time and sometimes you do," adds Rossitto. Her share of unmagical times includes the day she spent in a cable-operated penguin suit for *Boomer Returns*. "The director was cueing us through earpieces - 'Take Danny De Vito's body and throw it in the water' - but we couldn't hear a thing because of the real baby penguins running around. It was chaos. You learn bladder control too."

When not struggling to see, hear and stay continent, an extra may be struggling to stay awake. For long action-free days on set he or she, say vet-

erans, needs a checklist of essentials: book, personal stereo; pair of slippers for the noisy floors; hot water bottle for unheated sets; thermos; sandwiches. "And learn knitting while you're about it," says Extras Committee president Millie Wright.

The person who has spent longest searching for the magic on movie sets is Arthur Tovey, Hollywood's oldest extra. He was Leslie Howard's stand-in on *Gone With the Wind* and Fred Astaire's double partner (he used to play the dancer's hands or feet for non-musical close-ups). For Tovey, being an extra meant "you had all the fun and no responsibility."

"Stars I doubled for had to learn lines, keep long hours, go to functions, make speeches," he says. "We extras were bottom of the totem pole but most everyone and shared the excitement. On *Gone With the Wind*, as well as doubling as Ashley Wilkes, I'd play soldiers or townspeople. I used to stand behind Vivien Leigh and she'd turn round with a grin and say, 'Oh it's you again'. Or I'd be in Clark Gable's trailer - I knew his stuntman - when he was making baby-talk down the telephone to his sweetheart Carol Lombard."

Fame by proxy - is that the thrill of being an extra? If so, does it make up for the deprivation?

Despite his debonair manner, Tovey lives in a modest bungalow in Studio City, its one luxury is the multi-screen TV/VCR system on which he views his old films. We spent a touching, if embarrassing, 15 minutes trying to find the one-line dialogue exchange he once had with Elvis Presley in *Viva Las Vegas*.

Carl Joy, president of Central Casting, says that no one gets rich being an extra. But some get richer than others. "Special ability players get \$10 over basic and stand-ins earn \$87 a day. If you're a 'glamorous' extra with modelling experience in something like *Baywatch* you could work for over \$100. And if you speak one line of dialogue in a TV or movie drama you go to 'day player' rate which is \$325."

So if I shouted "Rhubarb, rhubarb" or "What about the

workers?" in a crowd scene I would accept my fee?

"No, that's called an 'omnies'," says Joy. "That's general hubbub. To be a day player you must be singled out by the director. He must say, 'I'd like that guy to be a bartender or whatever and say this line.'"

Ennobled by utterance, the hit actor instantly qualifies to join the Screen Actors Guild, assuming he can scrape together the alarming \$1,250 initiation fee. Is the next stop stardom?

"Could be," says Joy. "Or he could be back with us the next

week signing on for background work again."

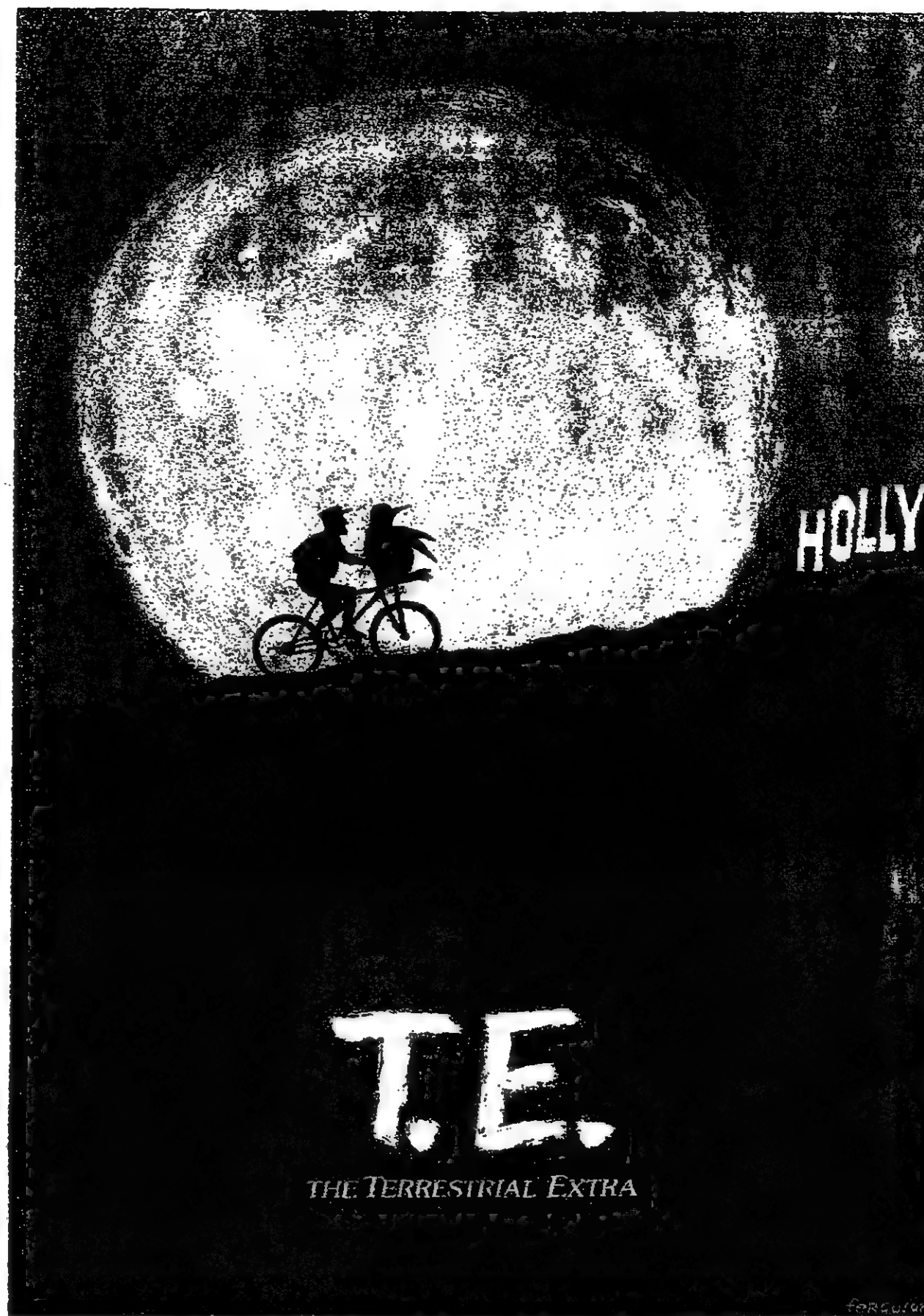
Through Joy's open door I see what that entails. On the far side of a large outer office busy with apparitions scriawing notes and shouting names is a glass partition. Beyond that mill the day's hopefuls. All colours, all sexes, all ages, they scribble their names in the register and then peer through the glass hoping to catch an eye.

This is feeding time for the Hollywood ego, and there is not much food about. Nor much ego as the day wears on and self-esteem is worn away.

Venturing behind the glass partition, I meet Bradley, a young black who has been signing on for five years. "I drive 20 miles from South L.A., man. It's tough to get work. I haven't had a job here for three months. I don't know if it's me being black or what..." Daniel, another black, chips in: "You just gotta keep your face in their face."

Most of those I meet suffer from what I identify as Extras' Syndrome. They claim to have been in well-known movies but cannot name them.

"Oh you're taping it?" says a jittery blonde whom I approach



### CONTENTS



Fashions: Dangerous liaisons of maternity wear

Perspectives: The Vinland Map - a tale of intrigue and magic

Travels: Underground Naples: rooms in the realm of Hades

Food: Meet two eccentric German hoteliers



Motorbikes: Sneak a look at Suzuki's X-90 - a far cry from the Bond Bug

Property: Character building in the city

Books: Deep in the mud of the Mississippi

Arts: Guide to the new books, films, TV, and more  
Arts Guide: XV, XV  
Books: XV  
Bridges, Cities, Greenwood: XV  
Fashion: IV  
Food & Drink: VI  
Gardening: VI  
How To Spend It: VI  
Motoring: VI  
Perspectives: R, R  
Property: VII, IX  
Small Business: VI  
Sport: VI  
Travel: VI  
Weekend Investor: X, X

Continued on Page II



Joe Rogaly

## A self-help slogan for the 90s

How looking back a century can help us look to the future

**S**amuel Smiles is alive and well and available to lead us into the next decade. No, I am not kidding - well, just a little. The Victorian moralist's universal best-seller, *Self-Help*, is a better guide to the prevailing political and economic orthodoxy than the incomprehensible texts of that other 19th century thinker, Karl Marx. Granted, *Das Kapital* has influenced the behaviour of most people for most of the present century, but it is now safely buried under the rubble of the destruction it caused.

This week the 1896 edition of the seminal *Self-Help* was reissued by the Institute of Economic Affairs, the mother of European free-market think-tanks. Since we are all stuck in the same time-machine, with no "reverse" on the gear lever, the book cannot be a guide to contemporary policy, but it does make you wonder.

It arrived as I was preparing to rehearse the proposition that the election campaign now under way in Britain is the phoniest since 1945. Let me complete that elevated thought before weaving in threads from Smiles; you will

quickly perceive the connection.

The election is due within the next 11 months. The principal protagonists are already behaving as if polling day were tomorrow morning. Britain's voters face a frustrating choice. The incumbent Conservatives deserve to lose. New Labour, riding high in the polls, does not deserve to win. Tony Blair's unique selling proposition is a commitment to constitutional reform, but the more closely this is inspected the less meaningful it becomes.

The central flaw in Britain's constitutional arrangement is imbalance: the executive is too powerful. There can be no appeal to any written ground-rules. Labour would not change that; even its promised Scottish parliament, now revealed as a glorified local council, would be dependent for its continued existence on the will of London's parliament - that is, whichever ministry commands a majority in the lower house.

As Mr Blair intimates, anything done north of the border can be undone at Westminster. A referendum would make it

more difficult for a future government to abolish an Edinburgh assembly, but it would not be impossible. This is acknowledged by the independent Constitution Unit, which published a thorough analysis of the proposals for Scottish devolution this week.

The question is, does it matter? The prime minister has called Mr Blair's schemes "pointless fiddling". Natural conservatives will agree; so might genuine constitutional reformers. The Anglo-Saxon politics in Australasia and on both sides of the Atlantic have spawned policies whose logical outcome is a withering-away of the state, a capitalist nirvana. In such circumstances a devolved assembly here, a wholly appointed upper house there would hardly affect the price of cheese.

Samuel Smiles' posthumously concurs. "...the value of legislation as an agent in human advancement has usually been much over-estimated," he writes. "To constitute the millionth part of a Legislature, by voting for one or two men once in three or five years, however conscientiously this duty may be per-

formed, can exercise but little active influence upon any man's life and character." The temptation to damn all politicians and then forget them is strong, but 15 centuries after Smiles is too late for that. Government is more important than it was in the 19th century.

**Welfare financed by taxation is no longer chic - as New Labour recognises**

Much in *Self-Help* is, however, still stimulating. Its central precept - the value of hard work, ingenuity, perseverance, thrift, a solid education - is in tune with American notions of welfare, not to mention the Labour party's espousal, this very week, of a shift in the mission statement of the British social security system from "hand-out" to "hand-up". Welfare financed by taxation is no longer chic.

New Labour recognises this. Mr Blair has replaced adversarial politics with adversarial politics.

Again, all parties are now concerned to demonstrate seriousness of purpose in education. The "child-centred" methods of the 1960s are out of fashion. So it was in the last century. "The facility which young people are...induced to acquire knowledge, without study and labour, is not education," says the guru Smiles. "...we often imagine we are being educated while we are only being amused..."

Labour's David Blunkett and the Conservatives' Gillian Shephard say much the same thing, in contemporary language.

Some of the Smiles doctrine, alas, is likely to fall on deaf ears. He is against frivolity. "Nothing can be more hurtful to a youth than to have his soul sodden with pleasure," he writes - in vain, I suspect, whichever the century.

The difference in the 19th was the existence of a recognised and established Church, a prevailing moral climate. The wagging finger may have been ignored, but not so bla-

tant as today. There is no nationally accepted doctrine to give it force. Cold-showered industriousness does not sell.

In a foreword to the 1896 edition of *Self-Help*, Ralph Harris takes us back to the middle of the 18th century, when Emperor Meiji opened Japanese minds to the outside world. We are told that the Smiles tome was then foremost among translations from European texts. It is an easy read, being a collection of success-stories about named and usually famous individuals. You could compose a similar volume today, without the humdrum.

One chapter might be labelled Fat Cats. Another could be called Lottery Winners. A third could be headed Speculative Gains. If you felt obliged to draw conclusions from contemporary accounts of how the rich and powerful got that way you might be left with the problem of inventing a title. How about *Help-Yourself*? It could be the slogan the 1990s is looking for.

\* 2 Lord North Street, London SW1P 3JZ.  
\*\* 4 Tavistock Place London WC1H 9RA.

# easyJet

Nice from £49

Barcelona from £49

Amsterdam from £35

Glasgow from £29

Edinburgh from £29

Aberdeen from £29

Single - Tax Subject to availability



Affordable as a pair of jeans!

Ref: 4051



PERSPECTIVES

The Nature of Things / Andrew Derrington

# How to breed a crop of sterile males

**T**he problem pages of teenage magazines and tabloid newspapers tell us that sexual relationships are full of conflict. But for the gory details of the war between the sexes we must look in a different type of publication, one whose readers' sensibilities are not so great as to prohibit the frank descriptions of the sordid facts about what is, after all, a natural phenomenon.

We will find what we are looking for, not on the newsagent's top shelf, but in the libraries of academic institutions. In recent months the scientific journals have carried reports of a sexual arms race that has escalated to the point where chemical weapons are in routine use. They also provide an analysis of the problem in terms of a fundamental driving force of biology - the pressure to maximise the return on an investment.

The object of the investment in question is to preserve genes by passing them on to the next generation.

Of course, sexual reproduction usually involves co-operation between male and female but there can also be a conflict of interests. The problem is that the sexual partnership is unequal. The genetic return from successful reproduction is almost the same for male and female, but the size of the investment is very different. At the very least, the female's investment in producing the egg far outweighs the cost of producing the sperm that fertilises it, and in many species she also has to bear and rear the young.

Consequently, it pays a female to select her partner carefully and even to demand an increased investment from him in the form of a long-term commitment to rear

the offspring. It may also pay her secretly to cuckold him if a better male offers her the chance. Males on the other hand can increase the chance of a return on their tiny investment by repeating it as often as possible. They may also fight each other for access to individual females, or keep them in harems.

The bottom line is crucial in this enterprise. Unsuccessful investors are removed by the grim reaper. So natural selection may drive females to be fussy and demanding, and males to philander, to coerce, to build harems or even to commit infanticide to improve their chances of reproducing. The set of strategies adopted by each species will depend on many factors. But some of the clearest

studies of sexual conflict have been carried out on insects, which also seem to use some of the dirtiest tricks.

Getting the chance to mate with females is not the only problem for males. They must also mate in a way which maximises their chance of fertilising her. This may be complicated if she has recently mated with somebody else. Geoff Parker of Liverpool University first described this problem, known as sperm competition, in the 1970s. Recently he has analysed it in some detail in the common yellow dungfly.

A male dungfly copulates with a female for long enough to flush out most of the sperm from her previous matings, and then stays with

her until she lays all her eggs, which are fertilised as they are laid. "The last male to mate gets 80 per cent of the eggs," says Parker. But an unlucky male may be displaced by a bigger rival, who will then attempt to do the same thing all over again.

"It's a wretched business for the female," says Parker who uses marginal value theorem (developed by economists) to predict how long males of different sizes should copulate to maximise the return on their investment. The optimal time depends on size because on the one hand bigger males transfer sperm faster, but on the other hand they get more takeovers. According to Parker, all except the smallest males copulate for the length of

time that the theory predicts.

Sperm is not the only important component of seminal fluid. Research with fruit flies shows that it contains a number of chemicals that affect the female in different ways, disabling the sperm of previous matings, making her less likely to re-mate with another male and increasing the number of eggs that she lays.

Not only do these extra components of seminal fluid work to the advantage of the male, they have the unfortunate side effect of killing the female. "It's one of the few chances that male fruit flies get to push females around, and they are rather good at it," says Linda Partridge of University College London.

Males and females influence each other's evolution, so eventually the female should develop defences against the male's dirty tricks. William Rice, of the University of California at Santa Cruz, showed that if he stopped female fruit flies from evolving and allowed the males to continue to evolve, the effects of their seminal fluid on females increased.

This suggests that in normal populations there is a constant evolutionary arms race that maintains the status quo.

The chemical warfare tactics of the male could be turned against the species of fruit fly that cause damage to crops. Partridge is investigating the possibility of using genetic engineering to develop male flies that are not only sterile, but have semen that kills the females with whom they mate, as an advanced technique of pest control.

■ The author is professor of psychology at the University of Nottingham.



Amazon Nails team: Barbara Jones (left) and Gill Bell (right), with subcontractor Joella Taylor

Minding Your Own Business

## Scaling the dizzy heights

Clive Fewins meets a woman whose roofing business is on the up

**R**unning what she believes to be the only all-woman company of roofing contractors in the UK can be tough, says Barbara Jones. However she would not swap her job as director of Amazon Nails for any other.

"Until 1991, there was an all-woman roofing company in Nottingham, but now I believe Amazon Nails is the only one. This makes me feel I have a responsibility to other women in the building trades to be seen to be doing well. Any mistakes will be talked about," says Jones.

After gaining a degree in social sciences, Jones had several jobs before retraining as a carpenter in the early 1980s. She worked in London, where she set up a women's building co-operative, Hilda's Builders, in Hackney in 1984, before moving back to her native Yorkshire and starting Amazon Nails with fellow woman carpenter Lindsay Woodster, in 1989. They worked as sole traders but collaborated on all larger jobs until 1994, when Woodster left to pursue a different career.

Since then, Jones has continued as

a sole trader, specialising in roofing and employing other women as subcontractors. She works mainly in and around the West Yorkshire town of Todmorden, where she lives.

In April, Jones took on her first employee, Gill Bell, 35. "This year looks like being the best ever. Business is booming and I have work booked until next March," says Jones. "By the end of the year, contracts should total more than £27,000 - which is a lot for me."

Despite anticipating the highest turnover in the seven-year history of Amazon Nails, Jones is expecting, as usual, to make virtually no profit. "In the past, Amazon Nails has usually managed to break even," she says. "I have never made a loss because I do not like banks and I try to avoid borrowing from friends."

"Generally, the low figures have not mattered because I have usually alternated periods of work with my many leisure activities and lived very frugally. As a single woman with no family commitments I have been able to do this."

However, this year I have tried to put the business on a serious finan-

cial footing. This has tied in with employing Gill in April and the offer of several big contracts, one of which is worth in excess of £10,000."

Jones has felt it important to do this. At 30, she predicts that she has probably only 10 or 20 years left in the physically demanding world of the building trade.

She would like to take on another woman carpenter if this year goes as well as expected. But that depends on the figures. She has to pay Bell a full wage, although she is at college one day a week, plus course fees and a training allowance.

Jones also has to pay an extra £300 in public liability and other insurance now that she has an employee. "I see ourselves as role models and I should like Amazon Nails to expand, as I know we have all the skills needed for a successful all-woman company," she says.

"However, I have to put this alongside the many pressures of running the business. I insist on being on site whenever work is going on, supervising Gill and the two or three other women subbies."

Jones says she would employ male

labour only if she had a big job and could not find enough women carpenters. She admits this could happen, as she estimates there are only about 100 women carpenters at work in the UK.

"Really, my heart is in training women to be carpenters. There are a lot of stories about needing to be strong if you work on a building site, but essentially lifting is all about balance, leverage and good use of pulleys."

"At present, nobody is really encouraging women to train in the building trade. Most grants for college courses stop at the age of 18. This discriminates against women because they usually take several more years than this to gain the courage to train for work of this sort, which is considered non-traditional for women."

When doing her City and Guilds certificate in 1987, Jones won the award for best student on her course. Although less physically strong than men, she believes that women can make equally good carpenters.

"Compared with men, women in the trades are frequently more meticulous in their work and more concerned

with quality rather than financial gain," she says. "Often they work better together, and they are more safety conscious than men."

Apart from her desire to see it made easier for women to gain work in the building trade, Jones sticks to her policy of employing only women because, in London, she became exasperated with the level of what she calls "sexual harassment".

"People here in Yorkshire have a different attitude," she says. "They see the Amazon Nails sign outside a building site, look up and see us on the roof, and shout 'good on yer, lass'. In London, there was far more of the sexual stuff than the appreciation."

"Our visibility up on the roof is very important to us. It gets us talked about and it brings in business. It can be tough working as a woman carpenter on roofs in all weathers, but I find the physical work the easiest part of the job. All the other aspects of running the business, especially the estimating, are harder."

■ Amazon Nails, 55 Burnley Road, Todmorden, Lancs OL14 5JF (tel: 01766-514636).

Dispatches / Kieran Cooke

## Strangers in the night

**I**t all happened on the spur of the moment. A stop for lunch at McGroarty's pub in Donegal town. A chat with the barman.

Like a skilled fisherman, he cast his bait. "Do you like walking?" he inquired innocently while lifting a feather duster to the optics.

It is a brave man who answers such questions in the negative. ("Walking is it? Never do it. The worst invention ever. If people would only stay in one place and stop all this endless perambulation, the world would be a better place altogether...")

I nod enthusiastically. "That's grand," says the barman. "Just scribble your name down here and we'll see you on Saturday. There will be a few more like you along." He has a smug smile, as if he has just landed a 10-pounder.

The whole thing appeared straightforward enough, if a little challenged in the brain department. Start at midnight from the bar after a bit of supper and music. Walk a few hours, have soup and walk again. Breakfast accompanied by more dee diddle dee dah at the other end. It will be 15 miles in all, the money raised to go towards bringing a group of children from Chernobyl to Donegal this summer.

At 11pm a party of us arrived at McGroarty's. A stag party is in full swing. A group of golfers is in from Dublin. Drinks are being passed overhead. Amid the hubbub someone is trying to sing "Moon River". There is not a walker in sight. Not a hairy sock, anorak or thermos to be seen.

"We decided not to start till one," says Stella, the publican's wife and organiser. "That gives people time to relax a little first. And we don't want to get to the other end too early else the musicians might not be up."

We are given big bowls of stew and pints. To limber up we go for a walk round town. At 1am we have problems getting back into the pub. "We are closed," says a voice from behind the door. Inside it is more packed than ever, but at least there are a few walkers about.

A couple from Ohio have planned their vacation round the walk. "You must be mad over there as well," says Stella. The Ohioans look puzzled. "Photos are taken. The stag party, now more horizontal than vertical, cheers us away. Forty people head off into the dead of night."

Donegal is out of sync with the rest of the world. Or perhaps it is everyone else who is out of kilter. The walk is timed for the shortest night of the year, Friday June 21. We are strolling along 24 hours later.

"We do things a little differently over here," a doctor explains as we conquer the first mile. "Anyway, when it comes down to it, what is time?" He disappears ahead. That question occupies my mind for a few more miles.

The walkers are spreading out. Companions come and go. It is a cloudy night and faces are dark blobs. In one conversation a woman and I discover we have far away friends in common. "Fancy that," she says. "Strange things happen on the backroads of Donegal." She sprints away. I do not see her again.

The soup is halfway. It is 3.30am. The first of the bunch were through well before. Peculiar things are beginning to happen to my feet. We soldier on. A car wobbles down the track. A window is wound down. "Fine night," says the voice. And away it goes.

**A** streak of light across the sky. A few birds start to sing. Midges are the curse of the west of Ireland. In Donegal they get up early. There are clouds of them trying to attack. Up your nose, in your eyes, down your throat.

We tie handkerchiefs round our faces to keep the little parasites at bay. As we pass one cottage the curtain parts slowly, then is jerked shut. What an apparition to wake up to.

A van solidly comes up and down through the walk. Now I know what it feels like on the Tour de France. "Are ye alright then?" says the driver. "Would you like a lift for a bit?" With one of my legs refusing to obey the usual instructions, there is nothing more I would like, but honour and foolishness win the day.

"It's only a mile and a bit now," says Stella. The mile is a mile, the bit is about three. We reach the pub at 5.15am. The first finishers clocked in more than an hour before and have gone off sailing for the day.

Plates of bacon, egg, sausage and potatoes are ready. Big mugs of tea. There is conversation that the musicians have not turned up. "Either they were up late and can't get up or they did not go to bed at all," says Stella. While I'm trying to understand that someone gives me a pint.

"You enjoyed yourself 'I'm sure," it's the barman again. He explains that unfortunately he could not accompany us on the walk because of a comprehensive list of ailments. But he would be playing football that afternoon.

Sleepiness wraps its blanket round me. Someone is starting to sing. It sounds like "Moon River".

Continued from Page 1

as? "Er, heh-heh (nervous giggle). Lots major pictures. With your major stars. You know, like, er, Robert De Niro, Barbra Streisand-type people."

No titles supplied. In short, we suspect she has not appeared in any well-known feature at all. But this is the human pain behind the Hollywood mask. It goes with the business.

Some extras, powered by talent or chutzpah, do get regular work. Luis, for instance, has good looks, a confident manner and a cheery Puerto Rican accent. "This is all the different appearances I can portray," he says, showing me his photo album. "Gang member, punk rocker, drag queen. Me and my

brother go by the name of the Wonder Twins. We just played two drag queens who stop Arnold Schwarzenegger in a nightclub in his new film *Escape*."

Luis is lucky. Hispanic is hot in Hollywood now and Central Casting is not the only place where you can parade your credentials. The life of 18-year-old Gilbert Espinoza changed beyond recognition when he moved a small but go-ahead agency called Rainbow Casting. Back in 1990 Rainbow president Jeff Olan was choosing background players for an ethnic drama called *Amistad*. Mr. shooting in L.A.'s notorious south central area. Espinoza volunteered to film.

"He came up and said, 'I run the ring around here and if you don't let me in things

aren't gonna run smooth,'" says Olan.

Things ran smoothly - although Olan insists the offer was made helpfully, not as a threat. After assisting on that film, Espinoza appeared in a documentary about his making, then won non-speaking roles in two Quentin Tarantino features, *Pulp Fiction* and *From Dusk Till Dawn*.

Now he has advanced to a visually prominent, one-line-speaking role in a comedy called *High School High* by the Zucker brothers of *The Naked Gun* fame. "I started the film as a day player on \$525, then signed a weekly contract. I'll make about \$20,000 from the film," says Espinoza.

His story, though, is one in a thousand. For most extras, especially those starting out, this is an overpopulated pro-

fession full of scams and con-men the like of which has not been seen since the Gold Rush. Fly-by-night agencies take an actor's "initiation fee" and then vanish. Dubious calling services extort \$50 to phone you up with roles and never call. And throughout Los Angeles there are card ads placed in telephone booths that read "Ring this number and become a star".

The warning to the star-struck, says Wright, should be loud and clear. "My advice is if you have no theatrical background or training, don't become an extra. You don't belong here. We are talking serious overcrowding."

Joy at Central Casting agrees. He points a finger at a framed cutting on the wall, which says: "5,398 women, 5,617 men, 1,506 children. Total

12,416. This is more than 16 times as many as we can use each working day. Central Casting Corporation, July 1935."

Says Joy: "It's the same cry."

**Dubious calling services extort \$50 to phone you up with roles and never call**

We get now. "How come I can't get work? We have 1,641 people out here today alone. A hundred of those might, might, get jobs."

Even those jobs could become endangered as the digi-

tal epoch takes hold of Hollywood. "After you see *Toy Story* you'll see what's gonna happen to us," says Rossitto, referring to the computerised Disney fantasy with the lifelike cartoon figures. Hollywood could soon save millions by moving that technique into live-action cinema. Distance lends credulity, as we saw in the 1994 sci-fi fantasy *Starline*, where most of the desert-dwelling extras were pixel'd in by computer.

Olan is still hopeful. "Even with digitalisation the extras' bill on *Starline* was over \$1m. You have to have some real people if only to provide the models to be 'cloned'."

Joy is more pessimistic. "The time will come when the cost of computerwork, across the board, will come down below the cost of hiring players. That's when we at Central

Casting may have to look for another job."

Until that day some mystical enticement will draw human beings on towards a livelihood at once exacting and exciting. Perhaps the magic of being an extra has to do with sitting in on history: a history that can go hypothetically wrong behind the scenes even as it goes hypothetically right for the public viewing the final film.

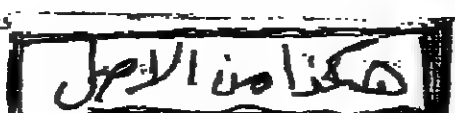
Wright remembers appearing in a then little-trumpeted 1983 project called *ET: The Extra-Terrestrial*, directed by Steven Spielberg. Although it went on to become the highest-grossing film in history, Wright was there one troubled night when one extra went very terrestrial.

"I was playing a woman walking her dog on the street in the Halloween scene and the ET was Pat Bilon, who was a

little guy. Just 2ft high, he was in this hideously uncomfortable rubber costume with sticks in the arms to extend them. And he fell on the ground and just couldn't get up. I think he had difficulty breathing. They carried him off in an ambulance and that was the end of the shoot for the night."

And it was also the end of Bilon's participation in the movie, although his death several weeks later was not blamed on the production.

Things go wrong, however, even in the best-ordered Utopias. Mistakes are the price you pay for a high-risk dream. For extras that dream is to work and hopefully be "discovered". Once past the glass partition at Central Casting, you really are through the looking-glass. Everyone mucks in on the same stage or backlot, and works for the same vision, from Millie Wright to Meryl Streep.





## PERSPECTIVES

# A tale of intrigue to rival Treasure Island

A map showing America, and purportedly drawn 50 years before Columbus's voyages, has raised fierce debate. Richard Cannell tells the story

**M**aps that lead to adventures are magical. The maps that mark the site of hidden treasure in *Treasure Island*, or that lead Sir Henry Curtis and his chums into the exploits and ordeals of *King Solomon's Mines*, are more potent, more powerful than their humble appearance suggests.

So it is with the Vinland Map, a ragged piece of parchment with wormholes and ancient crease marks that hint at its own secret story, one that may never fully be told because there is no one left to tell it.

The Vinland Map of the world shows an uncannily accurate Greenland, Iceland and a large island with recognisable features in the north-west Atlantic named Vinland - what we know as North America - and the hidden treasure.

Yet, this map purportedly dates from about 1440, half a century before Columbus made his famous voyage.

If it is genuine it represents the first cartographic evidence of America, presumably taken from Viking sources and tells us that our medieval forefathers had a greater knowledge of the world than we had imagined.

This revelation was disclosed on October 11 1985, the day before Columbus Day. It immediately provoked a media outpouring and, reportedly, rioting among Italians in New York. In academic circles, the Vinland Map launched a dispute that continues today.

Simply, this revolves around the question: "Is the map an authentic, pre-Columbus map of America, or is it one of the cleverest and most controversial forgeries that have appeared this century?"

Where it had appeared from, no one could say. In 1957, an Italian bookseller from Barcelona showed it to antique booksellers in Geneva, London and Paris on behalf of an anonymous client. It was bound with another important historical document, the *Tartar Relation* - an account of a papal mission to the court of the Mongol empire by Friar John de Plano Carpini in 1245.

The binding had been carried out in relatively recent times - perhaps the turn of the century - and on the back of the map, in poor Latin, was an obscure allusion to the "Speculum", a reference that had no apparent meaning.

Through a London bookseller, the map arrived at the British Museum, with R.A. Skelton and George Painter, curator of the map room and assistant keeper of printed books, respectively. They tentatively dated the map, on the basis of the paper, the handwriting and the accompanying *Tartar Relation*, to

about 1440. However, they had doubts. They were suspicious of the modern binding, the questionable Latin, the mysterious reference to the "Speculum" and the fact that both documents had wormholes which did not match, suggesting that the documents did not belong together.

Consequently, the map was returned to the Italian dealer. Eventually, the map was bought in Geneva for \$3,500 by Laurence Witten, an American bookseller who believed it to be medieval. He was later told by an eminent American librarian: "Mr Witten, I think you've got the greatest bargain in all the world."

Witten showed it to Thomas Marston and Alexander Vektor, experts at Yale University, who recognised the potential importance of the document. It was said Marston, "of so arresting a character as to prompt scepticism, if not incredulity", but like the British Museum they were not totally convinced of its authenticity. Vektor said: "It looked right to us, it smelled right...but there were two disturbing features."

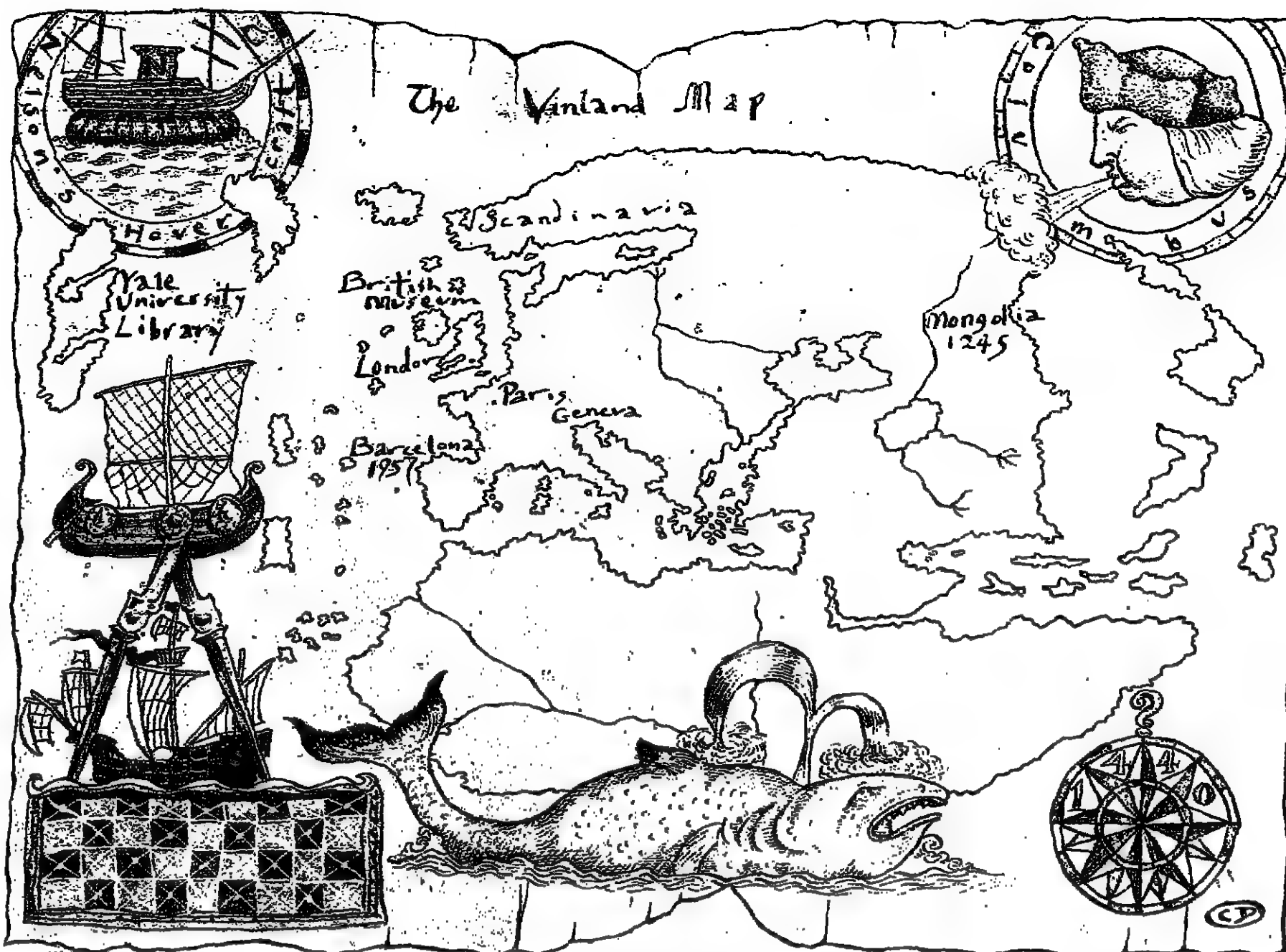
These were the relatively modern binding and the wormholes that did not match. The wormholes "made us feel that the two pieces did not belong together, and we did not quite know the reason". Yale did not buy the map but arranged with Witten that, should he sell it, Yale would have first refusal.

There, the map's story may have ended, quietly tucked away and forgotten in a private library - but for a rare stroke of serendipity.

Marston ordered from the catalogue of the same London antiquarian bookseller, a fragment of a 15th century copy of a 18th century document entitled *Speculum Historiale*. He showed this to Witten who made the incredible discovery that, like a missing jigsaw piece, the *Speculum*'s various wormholes physically matched those both in the Vinland Map and the *Tartar Relation*. Thus was reunited a collection that had clearly once been bound together - strong evidence for a 15th century origin of the map.

Yale now wanted to buy the documents but found that they had, unsurprisingly, gone up in price and that they could no longer afford them. Fortunately, an anonymous millionaire philanthropist bought all three for about \$100,000 and gave them to the university library. Six years of detailed study by a team from Yale and the British Museum followed. Convinced that the map was genuine, the controversial book that brought the map to the world's notice, *The Vinland Map and Tartar Relation*, by Skelton, Marston and Painter, was published in 1985.

The map caught the public attention. It was exhibited publicly in the



US, London and Scandinavia, its photograph appeared in *The Times* and newspaper cartoons showed Vikings arriving in New York led by the Vinland Map.

However, some thought it an impostor and doubts about the map's authenticity remained. During its world tour stop-over in London, the map underwent simple tests with ultra-violet light and low-power microscopy, that suggested that the ink was unlike any other known medieval ink.

Added to this, was the mystery of where the map had surfaced. Witten was sworn to secrecy and steadfast in his refusal to reveal its "provenance or pedigree". Another troubling feature was the apparently accurate outline of Greenland and, in particular, its depiction as an island - knowledge unavailable until the last century.

The sceptical voices grew louder and Yale felt compelled to initiate its own investigation.

McCrone Associates of Chicago analysed minute particles of ink from the map and came to the dramatic conclusion that the map was a forgery. The ink contained crystals of titanium dioxide in a form that could not, according to McCrone, have been produced earlier than about 1820 as the crystals are the result of a reaction carried out at high temperature - 800°C to 1,000°C - conditions not achievable in the 15th century. It was this scientific evidence that dealt the near-fatal blow.

There were many other reasons for doubt: the unique medieval ink; a small part of the English coastline where the ink and its underlying stain appeared not to match, suggesting to some that a forger had made a mistake; the uncanny accuracy of Greenland.

Under the total weight of these

question marks, Yale resigned itself to announcing in 1974 that the Vinland Map was a fake. With a touch of humour, Walter McCrone likened the probability of finding this crystal form in a medieval ink to the fact that "Nelson's flagship at Trafalgar was a Hovercraft".

While humanist scholarship could raise doubts and generate debate that could run and run, scientific evidence appeared incontrovertible. Consequently, most early believers

renounced their faith.

But just as science and humanism combined to cripple the map's reputation, so have they since joined in its restoration. In 1988, the controversy that had never gone away was re-ignited by a team at the University of California who re-analysed the map ink using a technique not previously available, PIXE - particle-induced X-ray emission.

The main piece of damning evidence is that the ink contains a modern artefact. Painter points out that the very high temperatures required to produce titanium dioxide crystals of the modern type, and which are "inconceivable as a 15th century process", were in fact often reached by medieval chemists. Ironically, there is even evidence for this from the archaeological re-

mediated ink. Moreover, the same group found titanium in the ink of another celebrated 15th century document, the Gutenberg Bible. As with the Vinland Map, this too was unexpected for a medieval ink; but no one doubts this bible's genuineness.

McCrone has rebutted these claims, saying that the PIXE techniques are inappropriate and that the two sets of measurements are not directly comparable. McCrone wrote: "There is substantial disagreement between McCrone Associates and the University of California, Davis. They report much less titanium in their samples than we find in the ink itself."

So after three decades, do we yet know whether the map is authentic, or not? Some are still convinced that it is a forgery but Yale University Press was sufficiently confident in the map's renewed credibility to mark the 30th anniversary of the original revelation by publishing a new edition of *The Vinland Map and Tartar Relation*.

This contains new arguments and a new preface by George Painter, the only surviving author and probably the only person who has steadfastly stood by his belief in the medieval origins of the map. This preface is a stinging attack on the map's critics and demolishes many of the arguments that have been standard ammunition for its opponents.

The main piece of damning evidence is that the ink contains a modern artefact. Painter points out that the very high temperatures required to produce titanium dioxide crystals of the modern type, and which are "inconceivable as a 15th century process", were in fact often reached by medieval chemists. Ironically, there is even evidence for this from the archaeological re-

mains of the Viking settlements in Newfoundland where the charcoal-fuelled smithy has been estimated to reach temperatures of up to 1,200°C.

Californian research also found numerous other elements such as might be found in cruder medieval inks. Painter makes his riposte to the analogy drawn by McCrone by saying that, "having found supposed evidence that Nelson sailed on a Hovercraft, McCrone deduced that Trafalgar could not have occurred before the 20th century".

Of the drawing itself, the principal criticism is that the outline of Greenland is good - too good. No one at that time, the critics say, could have known that Greenland was an island, nor could they have drawn the coastline so accurately. Yet, Painter points out that it was referred to as an island in papal letters on many occasions before 1440 - even as early as 1154.

In fact, Greenland was drawn as an island on many maps dating not much later than this period. Painter argues that the basic shape of the cape of Greenland was known and that the crinkly coastal outline, while appearing superficially to resemble the fjords and inlets, is simply standard coastline for any unknown part of the medieval world.

Furthermore, Painter describes again the restoration that the map underwent at Yale in preparation for exhibition in 1988. It was noticed then that the oak board covers that had originally bound the set of documents had, about 100 years previously, been detached, covered with paper pastedowns, then replaced upside down and in reverse.

When Yale removed the paper pastedowns and replaced the boards in their correct medieval positions, the wormholes in the board that

had been hidden, were found to match exactly those in the Vinland Map. It certainly seems remarkable that such a serendipitous discovery was contrived by a forger decades before.

It would be facile to paint this controversy as a struggle between old-fashioned humanist scholarship and modern scientific technology. Yet science, which in the eyes of some is supposed to be capable of giving absolute answers in such cases, has merely added another layer to the argument.

Ultimately, of course, both scientific and historical research depend on human interpretation. In the preface, Painter writes of the forgery theory: "Humanism appealed in its own bankruptcy to science which gave the right answers to the wrong questions." Forgery advocates, on the other hand, would say that humanism led to scientific proof of a fake.

Unlike many academic debates, this one has a clear answer. The map is either authentic, or it is not. With the book's re-publication, the consensus seems to have moved to a rehabilitation of the map.

Even more exciting is investigative work yet to be fully published, into the map's history. This suggests a provenance for the map that dates back to the 16th century and even involves the descendants of Columbus, leading to the real possibility that the famous explorer saw the map.

Knowledge of Vinland may have been fairly widespread among seafarers around this time. Columbus, of course, was not interested in discovering America - or Vinland. He set off to discover a route to the East Indies. Meanwhile, the Vinland Map's own Viking saga through recent, or not so recent times, continues.

## Lunch with the FT

# The flame that still burns

Nigel Spivey is entertained by Sir Peter Ustinov

**T**hey were already on to him. Nightingale in *The Times*; a certain Core Somebody shooting double-barrelled in *The Daily Telegraph*. The notices were not likely to swell the morale of any author or actor, even one with a half century of worldwide experience.

"I haven't seen the reviews," I fibbed. "Have you?" He scowled as he settled into his seat. "The public keeps its own counsel," he muttered. Our photographer, sensing that this overture was unlikely to yield a happy portrait, thrust an old photograph towards him. "Look, Sir Peter. This was the last time I took you. Billy Budd, in 1957."

A waiter bore down. "Drink, Sir Peter?" Cheered up in an instant, Sir Peter began to do what he does best. He entertained us. "Drink? Of course not. You know very well it is most strictly forbidden by Moslem law."

"Hang the critics," I chimed. "I've just been in the box office. It's a cacophony of people calling to book tickets."

We were gathered in the house restaurant of Chichester's Festival Theatre, where Peter Ustinov has opened a

season in the title role of his own play, *Beethoven's Tenth*. He is staying in nearby Midhurst where, as a boy, he was encouraged in literary ambitions by the likes of H.G. Wells and Hilaire Belloc. At the age of 75, I asked, where did he find the energy?

"You see? Critics haven't despatched me yet. And this is an open stage, where I have to act with my back too. I treat this as a sort of sabbatical. Back to my roots as an actor. I can act for 2½ hours at a stretch. But after five minutes at a cocktail party I have to sit down. It's a question of focus."

A menu appeared. One opinion, from man domiciled in Switzerland, on British livestock matters. "You should understand how we see it from the Continent," said Sir Peter. "To feed herbivores with the decomposed brains of their ancestors is hideous. You wouldn't do it to your own grandmother in Papua [New Guinea]."

He looked about the sea of empty tables surrounding us, wistful for a wider audience. "But I think people in Europe feel more than goodwill for the British. They feel compassion. And, of course, the British find

that deeply hurtful. Do I begin to sound like an Anglo-sceptic?"

I shrugged. "Aren't we all, as a matter of national identity?" "Oh, but no, my dear chap, no. At public school in Westminster - brutal then, but quite all right now girls have arrived - I should really have

As Dr Johnson, or Socrates, or Poirot, or even Nero, Sir Peter has always been plausible

learned how to be British, and pass myself off properly, like that Roman-born home secretary, and other front bench ministers."

"Romania? Home secretary?" "You allude," I gaped, "to Michael Portillo?"

"Precisely. So obviously once the school prefect. Even got the proper British parliamentary machine-gun sta-sta-stammer you use when you're searching for the wrong word. That should have been me.

with my wing collar and furled umbrella. But I never dared unfurl my umbrella because I knew what a struggle it would be to furl it again."

Whatever he says, he can act British nicely - and has just done so, in a film about Stiff Upper Lips in Imperial India. And as Dr Johnson, or Socrates, or Poirot, or even Nero, Sir Peter has always been plausible despite the recurring critical charge that he is more of himself than any persona. So what drew him to Ludwig?

"I'm fascinated by him. He was so impetuous, disruptive. I'm fascinated by the women who inspired him, too. And by his illness, that endless imprisoning silence. In my play he gets a hearing aid, which is a terrible shock. He suddenly hears all his works. The deafness was both his misfortune and the cause of all he did."

Simon and Garfunkel crooned over our asparagus. "Beethoven is also the supreme example of a creative artist who's modest," continued Sir Peter, "until he's attacked."

"Why are you sore about critics?" I asked. "As you say, they cannot kill. You carry on."

"Russia is where my plays are performed best. That is because what I write is serious, and only funny when taken extremely seriously."

Our waiter brought us summer puddings. There was football to be watched that afternoon, before the evening show. It was a matter of some chagrin to Sir Peter that he had been forced to give up tennis, since he has a standing challenge to a game from the Pope.

Apart from that minor retirement, there is no sign that the man's hard gemlike flame is burning out. He is finishing another novel: the last, *The Old Man and Mr Smith*, has topped sales of 500,000 in Germany. He is still Goodwill Ambassador for Unicef, keeping sharp his ability to mimic hilariously world leaders. He has been asked to direct at the Bolshoi, and his list of forthcoming one-man shows around the globe is far-flung.

"Where are you heading for next?" I asked. "Seventy-six."

"And beyond?" "My passport expires in 2000. I should hate to anticipate. It would be such a waste."

■ *Peter Ustinov is appearing in Beethoven's Tenth at the Chichester Festival Theatre (01243-731312) until July 21.*



Sir Peter Ustinov: whatever he says, he can act British nicely

Thames Newspapers



## FASHION

# Dangerous liaisons between pregnancy and clothing

Shop carefully, says Jane Mulvagh, and you can retain your individuality

The Madonna del Parto of Piero della Francesca and Jan van Eyck's "Arnolfini Marriage" are two of the most iconic depictions of the allure of expectant motherhood in the canons of western art.

How can we replicate the joyous, colourful and celebratory quality of clothing worn by these two mothers today? What to wear when you are pregnant? It is an eternal problem for the modern woman who finds herself surrounded by speciality shops but can only find practical compromises and nothing that sends her heart racing.

Why is it that most high street retailers presume that pregnancy causes women to want to join the army of mummy matrons? Why should they want to retire into the nanny-like hues of navy or black?

Then there are those finicky cardboard-beige floral sprigs on a flat navy-blue ground, reminiscent of an old Laura Ashley frock rinsed in workman's tea.

Avoid widows' weeds - black, navy, sand and khaki - and opt for triumphal colour. But keep to that one colour and banish those fearfully exuberant, clashing Hawaiian prints that seem to work on the sofa principle: the bigger the bulk to cover the larger and more garish the flowers should be.

What the outfits selected here have in common is that each is based on designs that preceded the first world war long before fashion designers espoused the androgynous look of the adolescent boy. They are derived from times when society delighted in voluptuous, fecund women and championed the shapely difference between the sexes. Both the artist's and couturier's craft paid tribute to the possibility of issue, rather than suppressing or disguising it.

If you are the kind of mother-to-be who will boast that she produced her child having gained only 1½ stone (9½kg), then you need read no further. I am addressing the many women who, by their sixth or seventh month, are carrying two or three extra stone of weight and trying to cope with a hot summer.

Some do this by resorting to camouflage tactics. But why not flaunt your condition in celebratory joy? Most high street retailers seem to assume that you have undergone a "taste-ectomy" as soon as you conceive and that any aspiration to flair or individuality has been cut out of you - that style and pregnancy are mutually exclusive.

On most of my visits to such

places I just stood and marvelled that women would pay good money for these offerings of ugly purdah or cute girly rags. The bow 'n' bunny knickers with "Lady in Waiting" printed along the elastic waistband had me laughing in disbelief. Well, save your feet this summer. Forget the maternity wear departments, forget those well-known shopping mall specialists and select from non-maternity wear. Yes, you can keep your charm and idiosyncrasy.

The golden rules are proportion and simplicity expressed in monochrome, not pattern. The body needs as much streamlining help as you can muster, so do not splice your torso into layered sections with trousers, blouses and cardigans. Opt for the single-colour dress.

Strangely, many maternity dresses feature a dropped waist

**The golden rules are proportion and simplicity expressed in monochrome, definitely not pattern**

which not only throws into relief the least flattering area of your body - with a whacking great seam across the belly - but also detracts from your best asset, a Dangerous Liaison décolletage.

The answer is, the princess line. Choose a dress that cleaves to your bosoms above a high waist and then falls from the upper rib cage in controlled fullness.

Focus all decorative attention around the head and *poitrine*, for your complexion has never looked better. A pirate's booty of pearls or glass beads hung around your neck will keep all eyes above your waistline.

If the weather is cool, instead of layering on unfattering jerseys and hide-all jackets, choose a neat thermal vest under the dress or toss a magnificently coloured wool shawl around your shoulders.

Cyclamen, vermillion, saffron, rose or indigo abawis can be found in the Indian boutiques along Brick Lane in Spitalfields or Southall High Street for about £12.

I propose four finds for the summer - all dresses. For everyday wear, the pure cotton kurta from Egg at £112 is romantic, practical and affordable. The high-waisted dress fastening to one side along the



shoulder is a copy of the traditional robe worn by Rajasthani milkmen. It is tied with cotton ribbons at a high waist, where it is gathered into several hundred tiny tucks and from where it falls generously to the mid-calf.

It is blissfully comfortable. Asha Sarahal, the proprietor of Egg who has collaborated with Issey Miyake for many years, has dyed these crisp, light cotton dresses in a myriad of happy colours, such as lilac, Cadillac-pink, peony-pink or orchid-red. The sleeves are long so a sensible bra can be hidden and, since the dresses

are front-opening, you can easily nurse your child after it arrives.

For smarter occasions I would recommend Vivienne Westwood's "Watteau" dress at £225. Cut from a bold gingham reminiscent of a French bistro tablecloth, the dress features a wide, flying panel that falls free from the shoulder blades (a fashion captured by the French painter Jean Antoine Watteau in the 1780s). This covers a multitude of sins to the rear. Glorifying in your décolleté, of Comtesse du Barry proportions, the neckline is cut to a Louis XV-pleasing depth from a stand-up collar (reminiscent of the kind worn by the debonair gentlemen painted by Jean Auguste Ingres). Pretty amber buttons close the front from cleavage to mid-calf, again allowing easy access when needed. Once your figure is restored, replace the cloth belt and you will still enjoy the charms of this dress.

The third find is a summer coat, easily converted into a dress, from Voyage, 115 Fulham Road, London SW3 6EL (0171-829 9681). Flowing from a high yoke, it is cut in either crisp cotton piqué for £495 or silk for £595.

This dress is reversible: one side is trimmed along the front-fastening edges, sleeves

and collar with contrasting velvet ribbon. The other is plain. Two sash-like pockets on the hips lend it the air of an artist's smock. Azure-blue, peridot-green, shell-pink and a Medicinal brocade are the prettiest options.

In summer you will be loath to submit to the discomfort of tailored evening wear which will give the appearance of an over-stuffed, tightly uphol-

**Many maternity dresses feature a dropped waist with a whacking great seam across the belly**

stered piece of Victorian furniture. Neither do you want to resort to the slatternly informality of hippie wear.

As a compromise between propriety and comfort I would suggest investing around £1,000 in a Charles and Patricia Lester creation. Their accordi-

on-pleated silk evening wear pays homage to the Spanish

follower of the Rational Dress Movement, Mario Fortuny. The permanent pleating of their Delphos gowns is so robust that once you spring back into shape you will still want to wear these Grecian classics. Typically, they fall from a flattering empire waistline.

Most obstetricians will recommend that you consistently wear support tights but you can avoid those tannin-coloured micro-mesh varieties, described as "American tan", as if anyone would aspire to that lurid, out-of-a-bottle look.

If, on the odd occasion, you want a finer denier, go for Daniel Bourdon's comfortable and chic hosiery, from 7 to 15 denier (£7-£12). He also provides a good, deep opaque tight. It is reassuring to know that he only offers black, navy and natural.

Leggings have become the modern-day equivalent of the housecoat or peignoir. It is perfectly understandable that at home they are practical and that for many women one of their proudest assets - as the centre of their body expands - is a great pair of legs.

But the rear end of only one in a hundred women looks any good in a pair of these unforgiving items and there is something faintly ludicrous about wearing sports clothing when you can hardly walk, never mind sprint, down the street.

Furthermore, do you really want to look like every soap-star mum who seems to have failed to get round to dressing this morning?

For the final alluring touches of femininity, keep cool with a white feather fan held by an imperial red wooden handle from Chinatown for £250; and for a Flemish touch, fasten a Hans Memling-style collar in crisp white antique lace across your shoulders. These can be found in secondhand clothes stores, antique costume specialists and church bazaars for between £15 and £40. Once you have tried it, sew it on to the christening robe or your child's best party dress.

Wearing your bold statement of celebration, not in humiliating disguise or faux-girliness, I guarantee that every time you board a crowded bus you will be offered a seat and that even when it's pouring with rain on a rush-hour evening, you will be given the first empty taxi. Admirers will step aside in appreciative respect for a mother-to-be.

For left: Pleated silk dress, from £1,000, by Charles and Patricia Lester, available from Harrods of Knightsbridge (0171-730 1234) and Liberty of Regent Street (0171-734 1234).

Left: Navy blue gingham dress in viscose/rayon, £225, by Vivienne Westwood, 6 Davies Street, London W1 (0171-429 3757).

Right: Pure cotton kurta, Rajasthani milkmen coat, £112, from Egg, 36 Kinnerton Street, London SW1 (0171-236 9315).

Daniel Bourdon hosiery is available from Forties, 35 Brook Street, London W1 (0171-463 2753).

Drawings by Julie Verhoeven

For left: Pleated silk dress, from £1,000, by Charles and Patricia Lester, available from Harrods of Knightsbridge (0171-730 1234) and Liberty of Regent Street (0171-734 1234).

Left: Navy blue gingham dress in viscose/rayon, £225, by Vivienne Westwood, 6 Davies Street, London W1 (0171-429 3757).

Right: Pure cotton kurta, Rajasthani milkmen coat, £112, from Egg, 36 Kinnerton Street, London SW1 (0171-236 9315).

Daniel Bourdon hosiery is available from Forties, 35 Brook Street, London W1 (0171-463 2753).

Drawings by Julie Verhoeven

For left: Pleated silk dress, from £1,000, by Charles and Patricia Lester, available from Harrods of Knightsbridge (0171-730 1234) and Liberty of Regent Street (0171-734 1234).

Left: Navy blue gingham dress in viscose/rayon, £225, by Vivienne Westwood, 6 Davies Street, London W1 (0171-429 3757).

Right: Pure cotton kurta, Rajasthani milkmen coat, £112, from Egg, 36 Kinnerton Street, London SW1 (0171-236 9315).

Daniel Bourdon hosiery is available from Forties, 35 Brook Street, London W1 (0171-463 2753).

Drawings by Julie Verhoeven

Look the business. For less.



## SALE

for men and women starts Wednesday 3rd July.

AUSTIN REED

REGENT STREET, LONDON AND BRANCHES COUNTRYWIDE



Jan van Eyck's "Arnolfini Marriage": iconic depiction of the allure of the expectant mother

T H E  
SIMPSON  
SUMMER  
S A L E

NOW ON

UP TO 50% OFF  
SELECTED ITEMS

Simpson

703 PICCADILLY, LONDON W1

TELEPHONE 0171 734 2244

WEDNESDAY 3RD JULY TO SATURDAY 10TH JULY

10AM TO 6PM



## HOW TO SPEND IT

# Nothing more chic than a battered panama

The famous hats from Ecuador justify their reputation, says Lucia van der Post

On a hot summer's day, there is no hat more perfectly judged, more utterly appropriate for an Englishman than a panama. Its status in the fashion stakes only ever varies slightly: it is never so "in" as to be featured on the heads of the prettiest fillies at Ascot, and never so "out" as to disappear entirely.

It holds an enviable position in the pantheon of classic headgear. Worn by many a distinguished figure from Napoleon III and Edward VII to Roosevelt and Churchill, Gary Cooper and Orson Welles, in the world of straw hats it has no equal.

Panamas are an authentic, effortlessly chic, ethnic dress, which can be worn as stylishly by the peasant toiling in the fields as by the statesman at an international summit. Neither needs to be told that the panama should be worn slightly limp and casually tilted over the face. It should never look too formal.

Most of us know by now that proper panamas, those made from the finest fibres of the jipijapa plant, come, confusingly, from Ecuador. Only the split leaves of the jipijapa can give the hat the softness and resilience that are part of the charm of a true panama.

You can tell an authentic panama because it has a ridge over the centre of the crown, and a 5cm brim but, above all, you can tell it because it has a stamp inside indicating that it does indeed come from Ecuador. It can be folded along its crown, packed almost flat, and emerge looking as fresh as when it left its native shores - of Ecuador. The hats were called panamas after they came to wider notice when worn with a swagger by the gold diggers of the Panama Canal in 1881.

Nevertheless, panamas can vary greatly in quality - the fibre chosen, the expertise of the weaver and the time spent creating it, all affect the finished quality. Making a fine panama is, according to a beautiful book\* on the subject, generally a dying art but it is still alive and well in the small village of Montecristi. It is generally agreed that the finest of the fine panamas originate from here. The weaving of the split jipijapa leaves is a matter of family pride and whole families depend upon this age-old craft for a living.

It takes at least three months to make a "Montecristi" of the sort that the Paris firm of Montecristi sells today. But old Ecuadorians recall the days when some of the finest weavers would take eight months to turn out the most incredible of panamas, a "fino-fino".



An authentic Montecristi panama has legendary suppleness; entire Montecristi perfino colonial style and the Australia delegation at the 1964 Olympic Games march under their panamas

The fineness of a hat can be judged by the quantity of rows that make up the crown and the more there are, the finer the weaving. It is reckoned today that there are only a dozen weavers capable of making the "Montecristi merinos", those with the maximum number of fine lines of raw making up the crown.

First, the women separate the leaves in fine ribbons which slowly begin to take form between their fingers. Then they begin to weave. Once the hat shapes have been formed, they are usually shipped abroad (in traditional cotton pouches) and then steamed and locked by the ultimate purveyors of the hat in the US, Paris or elsewhere.

There are many places to buy panamas and many qualities to choose from. Most department stores with a good hat section or a panama or three. At Henri Johnson, of 30 New Bond Street, London W1, you could spend as little as £55 for the roughest straw panama, £110 on what it calls a basic Monte Cristi panama, or £230 for one of better quality. The finest quality, a Super Fino Monte Cristi Folding Triply Panama is so supple it can be rolled to a cone slim enough to push through a napkin ring, cost £275.

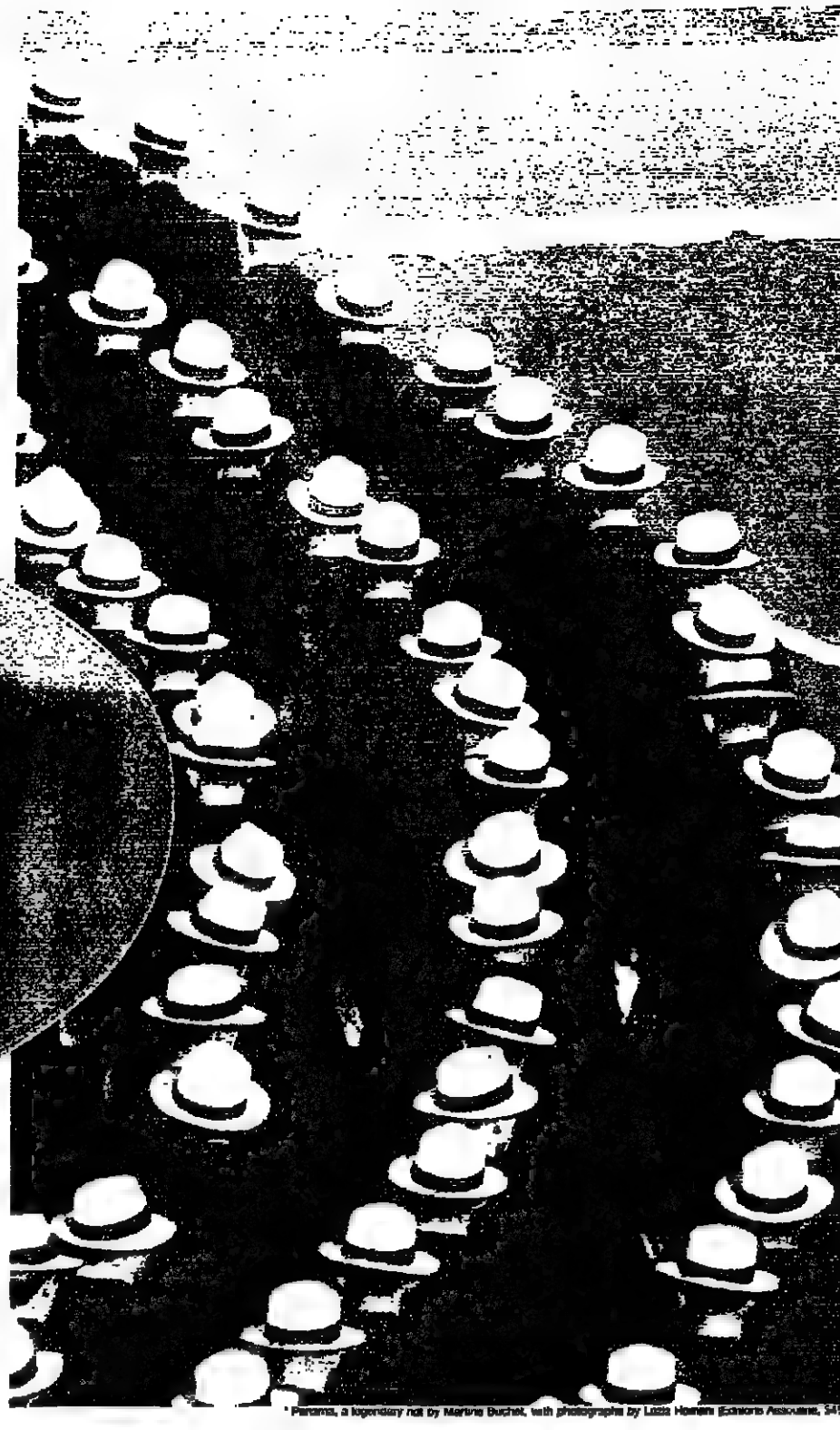
Women's panamas range from £89 to £120, although there is nothing to prevent women spicing out on the finest Monte Cristi for them-

selves. In most department stores you would probably find a panama of sorts for as little as £50 for a roughish straw.

Dickins & Jones of 224 Regent Street, London W1, and the well-known Parisian milliners, Panama Montecristi, are holding an exhibition of some of the finest of their hats on the ground floor of the store until the end of August. There are about 40 different models, ranging from the most traditional - the "Colonial" and "Borsalino 80" - to the "Bor-

salino Dandy", the "Gabin" (planter shape), the "Milord" (melon shape) and the completely rounded "petit Breton". A classic Panama which could be worn by women or men is £70. Enchantingly trimmed versions suitable for weddings, Ascot or garden parties range from £200 to £500, and there are just two super-nos left at £700 each. There will also be a good selection of children's hats on display.

The best, most classic finish to a Montecristi panama is a plain black band. If that seems a little funeral do not be tempted into anything fancier than a band of navy grosgrain. And remember, too, that if the price of the Montecristi seems daunting there is always one consolation - the true panama hat lasts almost forever. They can be washed, folded, crumpled, packed and still they emerge forever wearable. There are some who believe that there is nothing so chic as an old and battered panama.



Panama, a legendary hat by Montecristi, with photography by Lucia van der Post

## A slice of the action

Anybody who follows the quirky tastes of the designer set will know that there is only one toaster to have and that is the Dualit. It is odd that it has come to seem so modish for it was designed and produced some 50 years ago by Max Gort-Barten, who arrived in England after studying engineering on the continent and working in radio intelligence and aircraft production.

His company started off by designing element electric fires with reflectors and then produced the first commercial toaster in the UK. Dualit is still a family business, still based in south London.

Although the Dualit toasters

seemed to spend years in the design wilderness, appreciated only by those with commercial kitchens to run or with a slightly arcane interest in industrial products, it first became the darling of the matt-black designer set in the 1980s.

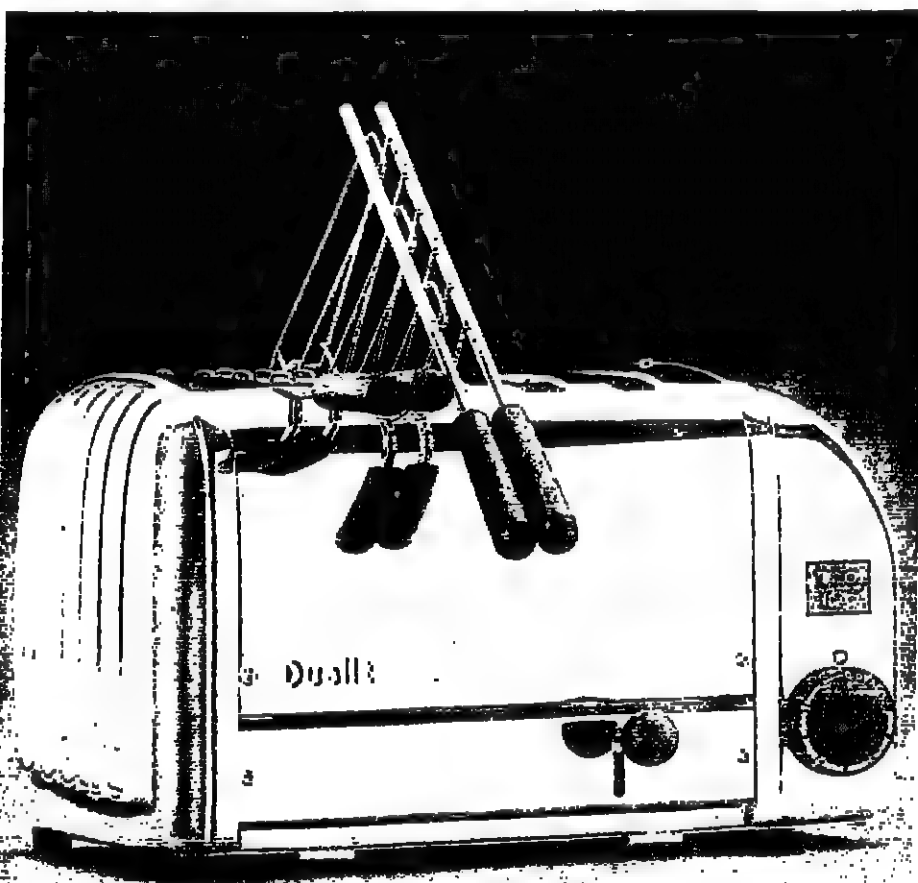
Like most products which develop a cult following there is a sound reason - it looks sturdy, its polished chrome casing speaking of its practical role. It toasts the bread evenly and well, since it has a special heating element not found on domestic toasters. They are still hand-made and while to my mind the plain chrome is the most appealing, there are other colours (cannary yellow, cobalt blue, mint green, utility

cream, black and white).

The most popular of the Dualit range are the plain two-, four- or six-slice bread toasters - they come with splendid testimony to the number of slices per hour (should you need 600 in record time). Very popular, too, is the sandwich-toaster which also toasts waffles, bagels, toadies and crumpets.

A bigger version of the sandwich-toaster has been launched just in time for the school holidays. It can toast 60 slices of toast and 40 sandwiches an hour. The existing version sells for about £125, and the newer one for £215 from good kitchen departments.

L.v.d.P.



The Dualit toaster does heavy-duty work: don't get browned off if you need a lot of toast

## Good-bye battery



Welcome to the future: Seiko Kinetic, the first quartz watch that turns your moment into power. Every move you make is coerced into mechanical impulses by a tiny built-in powerhouse. Abrupt, reliable and efficient: we, it one day spot, gain energy for at least two weeks. Wear it, it will run continually. Made of titanium: it's strong and kind to your skin. 20 bar event resistant. One-way rotating bezel and band. Quite a lot. Seiko Kinetic - it's built to last.

**SEIKO KINETIC**

Seiko Kinetic at: <http://www.seiko-cs.co.jp>

**BESPOKE TAILORING**  
2pc Suits from £895  
Blazers from £595  
Shirts from £85  
MADE-TO-MEASURE TAILORING  
2pc Suits from £395  
**BLADES of SAVILE ROW**  
8 Burlington Gardens  
London W1X 1LG  
0171 734 8911  
Visiting tailor service available

### THE MASQUERADE

**Ball Gown Hire**  
velvet, silk, taffeta and satin  
lace and beaded ball gowns,  
evening dresses separates  
and stoles  
FOR HIRE AND SALE  
10% discount on hire prices  
through July 1996

**EVENING APPOINTMENTS**  
0171 720 9155  
57 Queensdown Road,  
London SW8 3RG

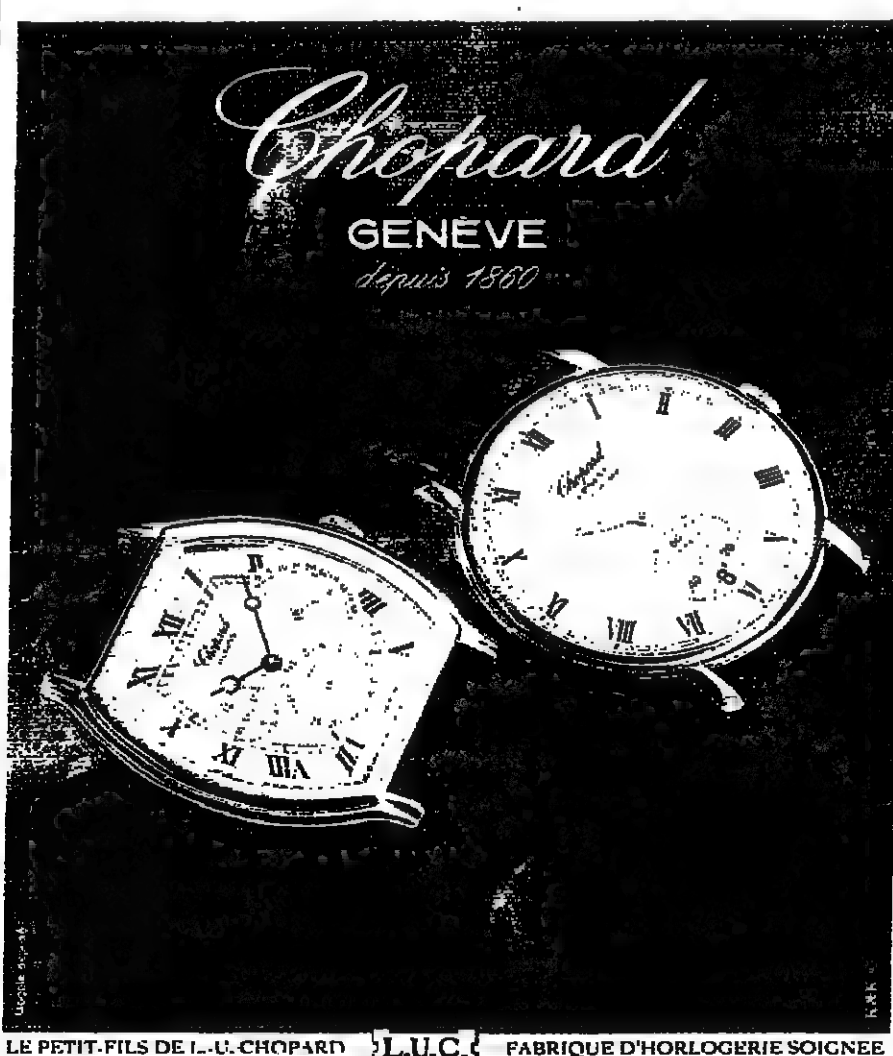
### EVERY CARPET WE MAKE IS UNIQUE

Our studio will work with you to tailor a traditional pattern to your taste or to create a totally new design. Please call us and make an appointment to visit our New Bond Street showroom.  
Telephone: 0171-629 0626 Fax: 0171-409 2949



**N-Real**  
Cashmere

**SALE NOW ON**  
UP TO 40% OFF CASHMERE  
KNITWEAR AND ACCESSORIES  
37 and 71 Burlington Arcade,  
192 Piccadilly, W1  
Gleneagles Hotel, Auchincroft  
0171 493 9220



The timeless lines of mechanical perfection - Our tradition since 1860

The classic "tonneau" form with automatic movement, power reserve indicator, date, small second hand (Style no. 162248). The refined extra-thin model with automatic movement, power reserve up to 4 days, with date and small second hand (Style no. 161225). In 18K yellow gold, rose gold or platinum. Available at leading watch-specialists worldwide. For information: Chopard Genève, Tel. 022/782 17 17, Fax 022/782 38 59 - London: Chopard Boutique, 14 New Bond Street, Tel. 0171/409 5140

مكتبة الامير



## SPORT

## Cycling

## Indurain hopes to join the 'greats'

Huw Richards considers the start of the Tour de France

**S**inging Indurain was the nickname bestowed by cycling's English-speaking punsters, following the precedent inflicted on rugby league player "Charley" Offiah. Today, when *Tour de France* rivals contemplate Miguel Indurain, they must feel more like screaming.

His dominance is unprecedented in the 93-year history of the world's greatest cycle race. The *Giro d'Italia* may be tougher but the *Tour de France* is the oldest and best, attracting the strongest fields and vast audiences. An estimated 18m or one-third of France, will watch from the roadside.

To historians Richard Holt and J.A. Mangan, the *Tour* is indisputably heroic and, in a sense, has come to define the very idea of the hero in Europe.

It takes extraordinary men merely to complete the race. Its physical demands have been likened to running a marathon every day for a month. The importance of every single rider is acknowledged by the tradition that the winner's prize-money is divided between his eight team-mates.

Other opportunities will make Indurain rich anyway. *Tour* winners - even potential winners - are a rare breed.

Perhaps a dozen of nearly 300 riders who assemble next Saturday in the Dutch town of s'Hertogenbosch - there are few years when the race does not cross borders - will entertain serious hopes of topping the podium in Paris on July 21. Most are cycling's Poor Bloody Infantry, devoted to supporting team leaders. Specialist sprinters may win most stages, but have no chance in the decisive phases - mountain and time-trials.

This is where minutes, and *Tours* are won and lost. Even these favour different physical types. The best climbers like Italian Marco Pantani - capable of speeding up Alpine roads so steep that, as one writer puts it, "the car seems to defy gravity by sticking to the road" - are generally small and wiry. Masters of what the French notoriously term *la course* tend to be heavier and more powerful.

A *Tour* winner must be master of one and among the best in the other, a combination so rare that only 11 have won since 1969 - six going on to repeat victories. Three other riders share Indurain's record

of five wins, their eminence emphasised by the absence of anyone on four.

Belgian Eddy Merckx, dominant in the early 1970s, was nicknamed "The Cannibal" for his voracious voracity - uniquely winning the mountain and consistency prizes together with the main race. France's Bernard Hinault, his wins spread from 1977 to 1985, dominated through physical power and force of character.

Indurain's style is closer to the first five-timer, France's Jacques Anquetil, the incomparable time-trialist. The solo race against the clock is the least dramatic or obviously heroic of the disciplines. Anquetil was never as popular as his eternal unavailing pursuer, Raymond Poulidor.

Indurain has never commanded the huge affection accorded Italian Claudio Chiappucci, whose percentage-rejecting desire to attack at all times is to cycling what the early Seve Ballesteros was to golf.

His early reputation was made by his climbing in support of compatriot Pedro Delgado, winner in 1988. Physiological freakishness - the lung capacity of a small elephant and a resting pulse rate of only 28, comparable with Emil Zatopek and Bjorn Borg - contributes to his famed impassiveness and his extraordinary consistency.

*Tour* lore insists that every rider must have at least one bad day. Indurain, the most scrutinised rider in the race, has them less obviously and recovers more quickly than anyone in recent history.

*Tour* giants induce a sort of despair in rivals. Indurain, 31, has seen off a swathe of contenders - Italians Chiappucci and Gianni Bugno, France's Jean-François Bernard and Charly Mottet, Dutchman Eric Breukink - once seen as potential *Tour* winners. Only Switzerland's Tony Rominger, 35, and the Dane Bjarne Riis, 32, both late developers, survive as serious threats.

Both should challenge this year. But the odds are that Indurain's eventual conqueror will be some younger, younger. France's Laurent Jalabert, 27, has developed astonishingly from a specialist sprinter into an all-rounder capable of dominating last year's *Vuelta a*



In the mountains: Indurain in the Alps during last summer's Tour

Spain - third of the great *Tours* - with Merckx-like voracity.

Switzerland's Alex Zülle, 27, was a credible second last year. Spain's Abraham Olano, 26, and American Lance Armstrong, 24, have already won world road-race titles, while Russians Evgeni Berzin, 26, and Pavel Tonkov, 27, are both *Giro* winners.

Italy's Ivan Gotti, 27, per-

forms consistently well in the great *Tours*, while Britain's Chris Boardman, 28, could be a contender if he can match strong climbing to his formidable time-trialling.

But this year? Probably not. Indurain has given notice of his intentions, hinting at fallibility by losing time to Jalabert and French climbing specialist, Richard Virenque, in the prestigious *Dauphine Lib-*

er, then devastating his rivals with a majestic mountain-stage victory to claim both race and a huge pre-*Tour* psychological advantage.

On July 17, the day after Indurain's 32nd birthday, a ferocious mountain stage which includes five top-category climbs will conclude over the Spanish border in Pamplona, a few miles from his native Villava. If he is in the

leader's yellow jersey that night, with the final time-trial still to come, his countrymen can start to acclaim the great *Tour* conqueror of them all.

Some records - Borg's at Wimbledon, Nicklaus's majors - transcend their individual disciplines and are comparable only with the greatest across the whole range of sport. Six *Tours* belongs in that elite company.

So what of tomorrow's final, and the favourites Germany? They should win, of course. The difference between them and the sides for which the Czechs have already accounted is in the pace at which they carry the ball in midfield (although they will miss Andreas Möller).

The defence has also looked formidable, although I get the awful feeling it will scarcely be tested by a Czech side that will pack the middle and search for space on the break.

That, said to say, is the pattern of so much modern football. And it is not just Euro 96 that has suffered. Although Brazil won the last World Cup, it was with a highly functional side.

The Denmark team which won the last European Championship was scarcely a role model for the beautiful game. One has to go back to the days of Marco van Basten and Diego Maradona to remember great players turning tournaments virtually single-handed. They were both finished by injuries (and, in Maradona's case, more besides), victims of the fierce competitiveness, pace and aggression which today dominate the game.

It is this, rather than quixotic refereeing, which is responsible for the endless procession of yellow cards and cruel suspensions which so dilute the entertainment offered in these championships.

The game's administrators, under fire for penalty shoot-outs, weak officiating and the innocuous innovation of the golden goal rule, now need to do some counter-attacking of their own.

## Tennis

## Six seeds rudely uprooted

John Barrett on the winners and losers so far at Wimbledon

**W**hat a week it has been. With seeds being uprooted by the hour and Brit- ish men roaring into the third round, there's almost a surreal atmosphere at Wimbledon this week.

Only once in the open era had six seeds men lost in the first round and never since the seedings were introduced in 1927 had the No.2 women's seed been beaten in the second. The slaughter may not have quite been the scale of Pas- schendale if seeds were rucking, but - especially among hot supporters - when it was realised that seven Brits may have won through to the second round for the first time since 1976, perhaps the was something in the air... or maybe it was the thought of all that lovely prize-money... or even the early snoop of England's football team.

On day one there were three earth-shattering losses, one after another that would have registered up on the Richter scale. All the losers were Americans, all were former Grand Slam champions. First Michael Chang (6), the 1988 French Open winner, crashed out on Court No.2, the arena known as the graveyard of the seeds. Then his conqueror, Alberto Costa of Spain, had something to prove. In the absence of wild No.10 Marcelo Rios, Costa's world ranking of 17 had justifiably placed him but he had been overlooked in favour of the lower ranked man, Stefan Edberg and Todd Martin. The victory over Chang was a perfect answer to the seeds committee.

For Chang who had beaten Costa easily Wimbledon two years ago, it was hard to understand what had happened. "Alberto was playing some pretty good tennis today. I just wasn't able to convert my break shots and that makes a big difference on grass," he said.

Hardly the dust settled before there was news of another like upset developing on Court No.3. Former Australian and much Open winner Jim Courier (6) was being upset by fellow American Jonathan Stark, the man who had won last year's Mixed Doubles title with Martina Navratilova. Ironically, Courier's former coach, Brad Stine, is now coaching Stark. They obviously have the inside track on how to put the No.8 seed's downfall.

Courier, snailier here in 1993, had led us in the spring that for reassessing his priorities the tiger was back in his tank. But he went out with a whimper rather than a snarl. Stark won in four sets.

The biggest shock came late in the day on the defence of the popular Centre and 1992 champion Andre Agassi (3) by qualifier Doc Flach, whose world ranking of 281 does not truly reflect his talent. Even as he walked on the grass- yard court I saw Mike gear - long-sleeved collared zip-up shirt of long, baggy shorts - Agassi had looked far from well. Is pallor soon increased as each, no longer nervous, took the second tie-break to win the match.

Agassi's lack of match play (only four matches since the end of March) was glaringly apparent. He was playing from memory but offering from amnesia. He had forgotten how to play the tie-break. Like a computer with a faulty chip, his brain was delivering the wrong message. Instead of creating openings he went for reckless winners and hit himself to destruction.

"I've had bad days of hitting a tennis ball," said Agassi ruefully, "but I hit a lot of nice returns and came in behind them, keep on the pressure." Commenting on his state of health he said, "I certainly haven't been feeling great, I got thru a few days back and missed a couple of days' practice. If I'd just been hitting a ball a little better I think I could have pulled it off." The aren't many observers who would agree with him.

Flach was ecstatic. "I'm as excited as you can possibly get. This is the highlight of my career. It was range the way I came to play tennis. When I came back from two sets to love down in the qualifying round to beaters Jerry, the ATP guys, me if I wanted to beat my opponent out of the habit I said 'no, that would be bad karma'. But I did it anyway and said 'I'm going to draw Agassi if I do this' - and I did!"

It is to Flach's credit that he did not suffer a let down after this triumph and won his second round match against fellow American Jared Palmer after losing the first set.

The 7-5 5-7 6-4 loss of Monica Seles (3) to the powerful 23-year-old Slovak right-hander, Katarina Stadenikova, was even more astonishing than Agassi's failure, particularly the manner of it. When winning her ninth Grand Slam title in Australia last January, Monica had shown all her customary courage in hitting her way out of trouble against Chanda Rubin in the semi-finals before overpowering Anke Huber in the final.

But when Jana Novotna had beaten her in Paris, Monica had admitted that for the first time in her life she was scared to hit the ball.

"I'll have to work out what happened," she said at the time.

On the evidence of Wednesday's match she has still not found the answer. Perhaps her 37 months away from tennis following the stabbing in Hamburg on 30th April 1993 has opened her mind to the possibility of losing. Before that she thought never entered her



Ten Hammers early success

head. She used to be totally focused and unafraid. Gumbel Parche has a lot to answer for.

The early British charge gave the home fans something to cheer at last. True, the draw did throw Colin Beacher of Kent and Aron's Nick Gould together in the first round, but the others all beat men ranked considerably higher.

After Beecher had beaten Gould on the opening day, Chris Wilkinson set about Anders Jarryd, a former top 10 man who this year was a lucky loser from the qualifying competition, with such elegant assurance that he was home and dry almost before the Swedish Davis Cup player realised he was in trouble.

The real excitement came on Tuesday with the 7-6 6-3 6-7 4-6 7-6 success of British No.1 Tim Henman against Russia's No.5 seed and newly crowned French Open champion, Yevgeny Kafelnikov. That win, achieved after saving two match points was seen when serving at 9-5 in the final set, delighted a capacity centre court crowd and turned the 21-year-old Oxford man into an overnight hero.

"Until you've played in front of a crowd like that you can't understand what it's like," absolutely phenomenal, one of the reasons I was about things round and put out."

Henman's next opponent, year-old Luke Milligan, Middlesex who has a record of 278, was equally here winning two five sets in, against Sweden's Jonas Perning, ranked 64, and I Lapent of Ecuador. In his of he was cramping, lead he lost the fourth set, his opponent similarly, at the start of the new, proved the stronger, as he won the decider.

Mark Petchey's 2260 over the Indian De- Leander Paes and in Brown Beccara Seles' straight set house in excellent Canada's Daniel Agassi, had tried to deceive him. Outrigger, and Rusedski, had guided them one 137500 reduced from Private sale. Telephone: 01753 630000. June 30.

## Soccer

## Power and the glory

Peter Aspdén looks back on the European Championships

players like Ellis, strong, fit, irrepressible, have produced the authoritative performances for their sides.

For a while, however, the fortunes of Euro 96 were in the balance. The second weekend, in particular, showed every sign of a tournament taking off after a customarily sluggish start. Paul Gascoigne's seemingly peerless goal against Scotland was followed the very next day by two more contenders for goal of the month. Jürgen Klinsmann's sparkling turn and finish against Russia and Davor Suker's audacious chip against the "unbeatable" Peter Schmeichel lifted the spirits of any football-lover.

Here were moments of world-class technique, expressed at the highest level of competitiveness.

But the exquisite appetites were followed by the unimaginative stodge of the knockout stages. Two goalless draws on the first day of the quarter-finals, decided by penalties, set the tone.

From here on, drama would replace football as the main focus of interest: Stuart Pearce's gripping exertion of Turin 1990, Clarence Seedorf's sad penalty against the French, and the final surfacing of those Dutch intra-squad squabbles. It made good copy, but it was not what people would remember in the years

to come. Then, the next day, came Germany's ugly encounter with an over-hyped-up Croatian side: another moment of rare finesse, as Suker delicately dragged the ball past Andreas Köpcke as if he were rolling an egg away from a baby's reach, was cancelled out by a series of malicious incidents involving players from both sides.

And finally, on to Portugal's

**England's defeat by Germany on Wednesday night was, as expected, the highlight of the tournament**

bizarre display against these doughty Czechs, in which the fancied (most of all by themselves) team of supremely gifted players put on a half-hour display of gorgeous, quick-tempoed possession football but actually forgot that dragging defenders all over the pitch is all very well, as long as someone makes the odd amble into the penalty area. This game, at least, was

decided by another moment of high quality, but it was cruel on the Portuguese that Karel Poborsky's scoop-chip was only made possible by the kindest of ricochets off the defenders who surrounded him.

Until then, the Czechs had barely threatened to cross the half-way line. It should be remembered that events in normal time can be every bit as heart-breaking as the climax of a penalty shoot-out.

If the quarter-finals were disappointing, the first semi-final between France and the Czech Republic touched new depths. France, like Spain, had decided to sacrifice flair for a more practical, solid approach; but the bitter was duly bit by those arch pragmatists, the Czechs.

Poor Youri Djorkaeff, who worked so hard to create something, only to come against waves of defenders blocking his path. He was given scant support by the over-rated Zidane and the team's rigidly approach to attack generally.

England's defeat by Germany on Wednesday night was, as expected, the dramatic highlight of the tournament. If some of the football was not of the very highest quality, here at least were two sides which were prepared to try to win, particularly in an absorbing extra-time period which made nonsense of the anti-

pated Golden Goal fear syndrome.

Like Djorkaeff for France, Darren Anderton was a couple of inches away from putting England through to the final when he hit the woodwork after a well-constructed attack. But the margins of success have always been thrillingly small at this level. England were unlucky losers, but Germany were worthy winners.

English euphoria, which took off after the display of the tournament against Holland, was once more vindicated. Terry Venables's side added intelligence, movement and variety to the virtues of hard work and determination which were never doubted. Indeed, one might begin to talk of a uniquely English style of football that, for once, does not appear to lag several light years behind the rest of the world.

It relies as ever on a powerful central striker - and what a marvellous competitor Alan Shearer has had - but it is allied with a fluidity in midfield and a variation of long and short passing which was on occasion a joy to watch.

Shearer, along with Paul Ince, Gascoigne and David Seaman, would demand inclusion in any pan-European side; and they were never let down by their less talented colleagues.

سكوتو الالجر



## OUTDOORS

## Motoring

## A 4x4 for the young at heart

Is Suzuki's X-90 in the 007 or the Bond mould? Stuart Marshall reports

My first experience of fun cars for the young was chasing them. "This," declared Ray Wiggins, then managing director of Reliant, "is the car for those who are too young to be square."

He was standing in the Orangery of Woburn Abbey and pointing at a three-wheeled machine looking like a giant jodhpur boot on casters. "Try it," said Wiggins, speaking at the press launch of the Bond Bug. "You'll see what I mean."

I did. The definitive fun car of the day was still the Mini. Assuming he meant the bright orange Bug would go like one, I put it into a left hander in front of the big house at all of 25mph/40kph. The Reliant

employee sitting alongside me just had time to exclaim: "Remember, sir, it's only got three wheels." And there we were, rolling like a Labrador pup on the Duke of Bedford's lawn.

It was a comprehensive capsule. As the Bond Bug tipped on to its roof, sundry small pieces like wing mirrors and door handles flew off. It continued to roll. A second or two later, it had fallen back on its wheels. Experimentally, I turned the ignition key. The engine coughed and then caught. So I drove off, convulsed with laughter. The man from Reliant rubbed a bruised knee and confided: "That's the second time it's happened to me this week."

I was not surprised. If you

must make cars with only three wheels, there should be two at the front and one at the back. Do it the other way round and you have a vehicle that can be tipped over by a smartly executed three-point turn in a residential road.

The Bond Bug must be among the most unstable mechanically propelled vehicles ever made. The only rivals I can think of are milk floats and a thing called a Scammell Mechanical Horse, once used by the railways for local deliveries. They frequently fell over on corners. Milk floats swerving to avoid cats on an early morning prowl still do.

There is, I understand, a Bond Bug enthusiast club. Its members must be masochists

and their numbers cannot be large because most Bond Bugs will have gone to that great fibreglass recycling plant in the sky.

My Woburn Abbey escapade was nearly 20 years ago but is still vividly remembered. So when Suzuki asked me to try its new - and the words are Suzuki's own - "amazing, new, fun recreational and leisure vehicle, the X-90" - I had misgivings. In the event, they were unnecessary because the X-90 is at the other end of the spectrum from the Bond Bug.

The X-90 is essentially a re-styled, two-seat version of the Suzuki Vitara, a compact on-off roadster favoured by young women - and a few young men - around town. It is as pretty as a picture, has a 1.6-litre,



Suzuki X-90: as much fun as you would get in an open car

85hp, multi-valve engine and comes with selectable four-wheel drive if you think you may need it, rear wheel only drive (at lower cost) if you do not. A five-speed gearbox is standard, with a high/low transfer box only on the 4x4, which can also have four-speed

automatic transmission as an optional extra.

The old idea behind two-seater sports cars was that they would out-perform family saloons because they were lighter and more nimble on corners. The draughts and discomfort were all part of the fun.

The X-90 is not like that at all. To be frank, almost any "supermini" would see it off in the traffic lights grand prix and its top speed is a lowly 83mph/130kph (87mph/140kph for the automatic). And Suzuki warns that, because it is a high-slung vehicle designed to

be used off-road, it cannot be thrown around like a normal tarmac-bound GT.

None of which really matters. You do not have to shatter speed limits or behave like a hooligan to enjoy the X-90. Driven responsibly, it handles with complete security and power steering makes parking effortless. Take out the tinted glass roof panels, stow them in the boot and lower the electric windows and there is as much sun and fresh air as you would get in an open car.

The seats are large and comfortable, the boot squashes racket rather than golf club sized and the ride out at all bad, bearing in mind that the X-90 will go over terrain you would not attempt in a normal car. Twin airbags are standard and the insurance rating is a modest 6A.

Key-in-hand prices are £10,375 (manual 2WD), £11,375 (manual 4WD) and £12,325 (auto 4WD). Though all on-off roaders are thirsty, the 42-litre (9.2 gallon) tank could give a safe refuelling range of at least 270 miles (435km).

## Gardening / Robin Lane Fox

## The aviator who flies up walls

Warm wall in a town, although I never see it in London. Face it south and leave it alone. Mine is completely free of those disfiguring black flies and I rate it one of my top belated discoveries.

We all know that some shrubs are listed as wall shrubs, but we are probably too obedient about the varieties we choose. Almost anything which likes sun can be

turned into a so-called climber, especially if it responds to tidy pruning after flowering.

Recently, the dry summers have greatly raised my opinion of the easy pink-flowered Beauty Bush, or Kolkwitzia.

Last year, I remarked that the shy-flowering varieties which used to turn up in the trade in the early 1970s seem to have been eliminated. This summer, I see on my travels what a

superb wall-shrub the easy Kolkwitzia will make in a relatively sunny place.

It responds to pruning after flowering and now that each bush is almost certain to flower beyond belief, deserves a last place on a wall, however dry. It, too, is almost fool-proof, although the foolish do not choose it for their gardens, preferring to play around with a troublesome Passion Flower

because it sounds exotic. Climbing roses have, of course, never been better than this weekend, although I seem to feel that every summer of my life. Those which were

delighted by the heat and black spot last year seem to be improved, if anything, by the awful experience. Everyone has their favourites, but I do recommend them to grow a deep-coloured clematis into anything which is white. Clematis The President has a luminous depth at exactly the right season for the best double white roses, including the flat-topped, white flowered Sambreville which is sufficiently open in growth to make an excellent host.

Vigorous ramblers sometimes seem too spectacular and too short-flowering for even the impatient to be entirely enthusiastic. Afterwards, somebody has to tidy up the muddle of stems on an increasingly high ladder. Tidying and high-level pruning have never been my strong points and in a garden which is much too big for an academic, I tend to let

the high climbers take their chance. It is, then, with particular relish that I can alert you to my single biggest success among roses.

In 1982, I rounded off an order to the admirable Peter Beales of London Road, Attleborough, Norfolk, by including one plant of a vigorous climber called Aviator Blériot. When

it arrived, I could hardly think where to put it. It ended up in a dry, wretched hole beside paving stones and one of the doors into the garden whose key I have long since lost. To one side, the real sight of the season was the scented pale Graham Thomas honeysuckle which is such a joy in May

until it loses its leaves in late June.

Idly, I thought that the Aviator might hide the honeysuckle's off-season and I dug it in without particular care. Two years later, it was good enough to be the one plant of any particular interest to visiting merchant bankers who came with notebooks in order to plunder any spectacular ideas.

This year, it is almost out of this universe. Nearly 20ft high, it has fallen forward in long cascades of unpruned stems, covered in hundreds of small yellow flowers which fade to the prettiest shade of lemon. Those living in the Cotswolds have not a hope of growing the double yellow Banksian roses which ruinful fortune has snatched from the hands of their second homes in Provence.

I no longer mind this inability, because Aviator Blériot seems just as good, vastly easier and willing to thrive in awful conditions. The greatest of all rose experts, Graham Thomas, did not have anything particular to say about this remarkable once-flowering

variety. I find it mildly appropriate that it has totally outclassed and overshadowed the honeysuckle named after him.

In 1909, the brave Blériot first flew the Channel and in 1910, a French nurseryman raised and named this stupendous yellow small-flowered rose in his honour. I like to think of it travelling back-wards across the Channel from France to my garden and I would much like to think of it in many of yours wherever you have height and room and are feeling negligent and impatient.

Suppliers are almost limited to the kings of roses, Peter Beales and David Austin, but perhaps depend will increase supplies. The Aviator is disease-free, rampant and astonishingly floriferous. He is a rose with an impeccable European pedigree which will appeal to readers with their wits about them. When I rang Beales last year and remarked on yellow Blériot's progress, I told him that it had roared up the wall like a train.

I think you mean like an aeroplane, he replied, elegantly. Since then it has imitated the vigour of a jet without any of the side-effects. It is the best thing I have found for age, and I hope that I can pass it on to more of you in future.



The Kolkwitzia: a superb wall-shrub in a sunny place

Garden Picture Library

## Fishing / Tom Fort

## Marching orders from trout

A holiday in spring should have an influence on the soul bordering on the miraculous. To abandon the tyranny and din of the office is the beginning of the cure.

Exchange the noisome workplace for space and clean air and, within a day or so, the depressed spirits revive. By the end of the break, faith in the world and humankind will have been restored.

To be sure, this exalted condition is unlikely to survive the return to the place of oppression for more than 10 minutes. But I maintain that the Health Education Authority would do better spending its money on promoting the spring holiday than on issuing useless advice on eating low fat spreads and roughage.

I don't recommend abroad. It's too far away, and the business of getting back will undo much of the benefit. Indeed, abroad is not much good for a spot of casual trout fishing, should the fancy take you. The necessary bureaucracy is wearisome, even in the unlikely event of a decent river being at hand.

Quite how trout fishing intruded on my own spring excursion, I would not like to say. Nor would I care to explain how my fly rod, waders, net and bag found their way into the car. Such mysteries are better left unexplored. I do insist, though, that it

was not in any sense a fishing holiday. Nor was it to be a holiday with a bit of fishing included. It was a holiday which just happened to be in an area which happened to be close to a famous river which I happened never to have fished.

The area was the Welsh Marches, and it fits the bill perfectly. The blood-steeped turbulence of its past has long given way to a useful tranquillity. It has grand hills and gentle knolls, valleys broad and narrow, noble rivers and little streams, sweeping vistas and intimate delights. It is, simply, the most magnificent countryside.

In the main, fishing was kept at bay, and we did what was fitting: going to bed early, eating large fried breakfasts, getting cream from the farm, lounging in pubs, scrutinising dog-eared Ordnance Survey maps from varying angles, tramping respectable but not excessive distances.

We went to Capel-y-ffin, and were disgusted to find that the monastery which Eric Gill and his followers had turned into a most improbable artistic centre was shut and mouldering. From there, guided by Thomas Jones's fact-cramped *Welsh Border Country* (published in 1933 and still invaluable), we scrambled up Lord Hereford's Knob, which frowns across the Wye from a great height. Jones observes that the knob is very knob-like, which

is true. But he is disappointingly silent on Lord Hereford's part in it.

The view from the knob is remarkably fine. But even finer - because it stretches on two sides - is that from Hergeford Ridge, a few miles north of Hay-on-Wye. Indeed, the only blemish on this whole stretch of country is Hay itself. As a hamlet of secondhand bookshops all my life, I say



there is something seriously wrong with a town which has 30 of them and nowhere to buy decent food.

In one cavernous dumping ground for the printed word, we found a shelf of odd volumes of Pausanias, the Journal of the experimental station of Hawaiian pineapple canners, a snip at £3.50 each. In another, a deranged-looking man yelled "greetings and salutations" as he gestured to his acres of unreadable rubbish. Retreat was the only course. The fly rod was reproaching

me for my neglect. I very much wanted to fish the Usk, famous for its salmon - which did not interest me - and for its spring trout fishing. For was this not spring? The answer was "yes" for the daffodils, "maybe" for the leafing trees, and emphatically "no" as regards the trout.

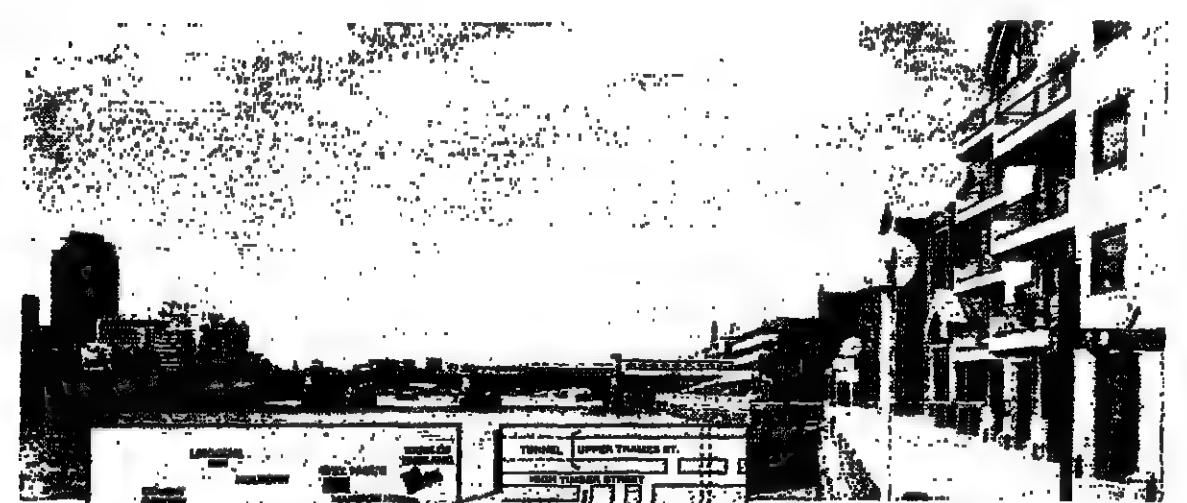
I bought a day ticket at a modest price from an obliging lady at the hotel at Gifford, which controls a lovely stretch of the Usk. I strolled down to the river where I was struck by a potent and accurate premonition that this would not be a day of achievement. The water, though clear, had a steely chill to it; and there was an edge to the wind which worked its way round and through the trees.

I went through the motions, searching the water with an upstream nymph, then with wet flies. Nothing happened, except that I saw an adder. What I wanted to see was a hatch of march browns or spring olives. But hatch was there none. I didn't mind in the least - I was happy just to be water-clad and water-side again.

At length, I found a little grassy bank out of the breeze, and lay down. In theory, I was awaiting the hatch. But in truth, I slept. It was a sweet sleep, nourished by the song of the birds and the water. I dreamed of the season before me, of other rivers, warm sunshine, soft rain, and fat, compliant trout.

## NORFOLK HOUSE

## ELEGANT APARTMENTS IN THE HEART OF THE CITY



REGALIAN

0171 236 0557

HAMPTONS

Tel: 0171 824 8822

An oasis of calm overlooking the Thames just 300 yards from Mansion House. All living rooms have balconies with spectacular river views - and the contemporary interiors echo the modern, imaginative style of the building. Superior level of quality and history. Private underground car park, monitored by CCTV, is available.

1 bed apartments from £255,000. 2/3 bed apartments from £580,000. 3 bed penthouses from £1.3M.

## COUNTRY PROPERTY

EGERTON

## LYMINGE, KENT

Ashford Station 12 miles.  
(Charing 34/Canon St 70 mins).  
Canterbury 10 miles, M20 (J11) 4 miles.  
A Substantial Family House Enjoying  
Unusually Southern Views.  
Hall, 3 Reception Rooms, Kitchen, 5/6  
Bedrooms, 2 Bathrooms, Double Garage.  
Formal Gardens with Hard Tennis Court.  
2 Paddock. About 6.7 acres in All.  
Freehold for Sale.  
Apply Egerton Tel: 0171 493 0576



## Between Reading &amp; Wokingham

A unique and spacious single storey home



In beautiful secluded gardens of  
1/2 acre, Terrace & enclosed  
courtyard. 4/5 beds, 2/3 baths.  
2/3 bedrooms, ideally situated  
M4 Junc. 11 and Heathrow.  
Paddocks 28 mins.  
Price on request.  
Tel: 0041 25772260

## CUMBRIA

3 bedroom cottage. 5 miles  
north of Carlisle.  
£55,000.  
Tel: 01229 74855.

UNRIVALLED POSITION in Brecon Beacons  
National Park. Family house in excellent  
condition. 2 large reception rooms, 3/4  
bedrooms, 2 bathrooms, high ceilings, wood  
panels, tiled central heating, Outbuilding.  
Private drive, beautiful garden close to  
A40, Superb views £175,000 reduced from  
£200,000. No chain. Private sale. Telephone:  
01674 730 773. From June 30.

مكتبة الجليل



## PROPERTY

# Future shock in the city

Anne Spackman considers London's housing needs

If you look at the latest figures on population growth and new home starts you might conclude that the business to be in over the next decade is house-building. According to government statisticians, the number of households in England is set to rise by 4.4m over the next 20 years.

According to the National House-Building Council, the number of homes being built has fallen to around 150,000 a year - 70,000 fewer than are needed to meet that demand. We are now building fewer homes than at any time since the second world war. Ergo, builders should be in for some profitable days ahead.

The builders do not see it this way. The reason many are cautious about putting up houses is that they believe, with justification, that they may prove difficult to sell. Similarly, local authorities are loath to sacrifice green fields when they can see a forest of For Sale boards on existing developments.

It is in order to square the circle that the government is publishing a green paper this summer to discuss where the new homes should go. Over the past few weeks the debate has been opened by a series of speeches by John Gummer, the environment secretary, and other ministers with responsibility for housing. Their message has partly been a political one - that there is an environmental price to pay for break-downs in relationships; demand for at least a quarter of new households is expected to arise as a result.

The largest population increase is expected to occur in London, where 385,000 extra households are predicted by the year 2011. This is the equivalent of creating six new boroughs. Savills' research department estimates that in the private sector alone the projected stock for the capital will satisfy less than three-quarters of the new demand. There are fears that the city lacks not

only housing capacity, but the transport and amenities to cope with it.

Much of the city's increase is made up of growing numbers of young workers transferring to London from within Britain and from abroad. Many are single, looking for city centre flats to rent and buy. (Nearly 80 per cent of the 4.4m new households will comprise just one person.)

Developers have responded quickly to the needs of this sector. A study by London Residential Research published in January identified 9,500 units under construction in the summer of 1995. Two-thirds of those were one and two-bed-

## Some developers have reacted by converting office blocks into homes

room flats. While house-building starts in the country as a whole fell 16 per cent in the year to May, in London and the south-east they rose by 14 per cent.

Some developers have reacted to the collapse in the commercial sector by converting office blocks into homes. More than 5,000 have already been altered and 8,000 more are in the pipeline. Five companies are bidding for the redundant Shell building on Waterloo roundabout, most with plans to convert it into residential space. The rush for sites has forced the price paid for building land in London to double over the past four years.

London Residential Research is investigating for the London Planning Advisory Committee the potential of the capital's vacant offices and commercial sites to provide the extra homes required. It is expected to come up with a minimum figure of around 25,000 units

and a maximum which could be double that.

The advisory committee is considering a number of options to increase capacity, including converting parades of shops into housing, increasing densities - but only in high-quality developments with good communal space and creating large mixed developments of homes, shops and offices on windfall sites, such as former hospitals.

All these changes will have a profound effect on the character of London. They will bring people into areas of the capital which have traditionally been dead at night, avoiding the "doughnut" factor which has blighted American cities like Washington. This is already happening in fringe city districts like Clerkenwell and Bermondsey.

They will also shift London from a suburban-density city which still boasts houses with gardens into one of high-density flats, like most other big cities in the world. As a result, the price of houses in the centre is likely to continue its sharp rise.

The many public and private sector wise heads sitting on committees discussing the future of London's housing have grasped the nettle on capacity, although they are far from solving the problem. However, they face a more urgent problem in the social housing sector.

For London to function as an efficient city it needs teachers, train drivers and nurses, as well as bankers. Few of these people can afford private housing in London. Providing homes for these key workers is seen as the crucial planning issue facing the capital.

The advisory committee believes that at least 40 per cent of London's extra homes need to be in the social sector. It wants developers to include at least a 25 per cent social housing element in any development of more than 10 homes - something they are signally failing to provide now. In practice, they are more likely to give a lump sum so that the local authority can build their social housing elsewhere.



Social housing in the Oxo Tower will be topped by a Harvey Nichols restaurant

Tony Humphries

As the debate begins, the housing scheme, as evidence that rich and poor can live side by side.

Another success story is Rotherhithe in Docklands, where, effectively, a new town has been created with good public transport links and a high proportion of low-cost housing. Such developments are seen by many experts as dovetailing with Gummer's vision of encouraging sustainable urban communities and protecting the countryside. As the debate begins, the

4.4m figure which launched it is coming under intense scrutiny - not just because of wishful thinking. There are many who remember that in the mid-1980s London was said to be suffering from an acute shortage of offices and office land, only to suffer a crash a few years later.

Planners can be expected to ask for a lot more evidence before they release their green fields and potential employment sites to the house-builders.

On The Move / Anne Spackman

## More private deals for top houses

Three country estates worth more than £20m in total have exchanged hands privately this year - a result of the shortage of top-quality property on the market and an increase in the number of buyers chasing it. The estates were all the west of London - two near Salisbury and one in Gloucestershire - the area of first choice for most top buyers.

The normal pattern in private deals is for both the buyer and seller to be represented by an agent. Once the selling agent has been instructed he will call the agents acting for buyers and try to place the house with one of them. The buyer normally has to pay a premium to persuade the seller to go ahead without testing the market. Justin Marking of Savills estimates that around one in six sales at the top of the country house market is being done this way.

In London, houses are most commonly sold privately if they are well presented and the seller is ready to move quickly. Both parties are likely to be represented where sales reach more than £1m.

Knight Frank estimates that around 12 per cent of country house deals, and as many as half of all farm and estate sales this year, have been made in private. In cash terms it has sold £11m of property privately in the first six months of this year, compared with a total of £14.5m for the whole of last year. The firm has this month appointed a full-time buying agent to cope with the increased demand.

One estate which is coming to the market this week is Furness Pollock Hall in Hertfordshire. Knight Frank and Bidwells have set a guide price of £4m for the

whole, which includes a Grade II\* Elizabethan house by a lake, a Grade II farmhouse and 737 acres. A number of prospective buyers has already been round.

□ □ □

One of the few substantial vicarages remaining in the possession of the Church has come up for sale on the edge of Richmond Park in Surrey. The unmodernised Victorian house is set in more than 2 acres of grounds with lawns, paddocks and woodland. It is arranged as four reception rooms, seven bedrooms and a staff annex. Knight Frank is selling it on behalf of the Diocese of Southwark and the Crown Estate with a guide price of £1.25m.

□ □ □

Newly published figures from Savills Research seem to confirm the view that yields for London property are being exaggerated. Gross yields of between 9 and 12 per cent are regularly cited by agents, particularly when selling flats as investments to overseas buyers, who are advised to expect a reduction of around 2 per cent between the gross and net yield.

However, Savills figures show gross yields for prime central London flats at 9 per cent, but net yields around 6.5 per cent. For prime central London houses the gross yields are just over 8 per cent, but the net yields are about the same.

The latest report calculates that total returns - adding capital growth to net yields - are just under 7 per cent for flats, but 8.5 per cent for houses. The highest overall returns were for four- and five-bedroom houses in Kensington, Holland Park and Notting Hill.

### INTERNATIONAL PROPERTY

#### TUSCANY

Under development. Five Luxury Houses with magnificent pool. Rural site, 20 mins Siena. 2-5 beds, 30ft Reception, C/H/Terrace/Gdns/ Maintenance.

For Colour Brochure.

Tel: 0181 749 9118

Fax: 0181 743 5394

#### USA, NEW YORK

##### FOR SALE

Unique Luxury Living Investment Opportunity. Modern, 2 bedroom Duplex Condo. Designer fit. Floor-to-ceiling windows. Two bathrooms, two powder rooms. On the water at the southern tip of Manhattan. Bounded by beautiful Battery Park and NY Harbor with dramatic views of the Statue of Liberty. Refurbished, 2,310 sq. ft. of luxury living for \$980,000. Call 1212-679 7733 or Fax 1212 659 5570

#### SAVILLS

ALMANSIL, ALGARVE. A magnificent detached villa in a rural location close to Quinta da Lago with 100,000 sq. ft. of land. 3 bedrooms, 4 bathrooms, 2 swimming pools. About 3 ha (7.4 acres). Freehold. 0171 431 4844

#### PENTHOUSE BARBAMAS

3800' next to Golf Club, Marina, Ocean. 70 miles to West Palm Beach. A1 location for business and pleasure. Superb views. Call 0181 749 9118. Fax (44) 89-2605560. US\$40,000 (Residential Consulting Inc.)

#### COSTA DEL SOL

##### PROPERTIES

##### MARBELLA OFFICES.

For information & Price list ring 0181 903 3761 anytime. Fax 3669.

#### UNREPEATABLE SITE

##### 1.7 ACRES

Prime location with stunning panoramic views across channel to Calais. Planning 31 luxury flats or four 5,000 ft houses or sports field etc. High level St Margaret's Bay, Kent. Possible with house plans individually. 01233 610637 (Fax 622499)

#### BOCA RATON/BEACH FLORIDA

Waterfront & Golf Course Homes. Commercial Invest. Buyer Rep. Mr. Eric. Contact: Raylin Corcoran. Realtor Fax your Tel # 18 call you for details. For USA 407 241 0020 Tel. USA 407 347 2623

#### MONTE-CARLO

Beautiful duplex 313 sq. m. with terraces, overlooking the Beaches, 3 bedrooms, 2 baths, shower, living room, fully equipped kitchen, office, winter garden with kitchenette, air conditioning, garage (293)

#### AGEDI

4 Bd Maison MC 98000 Monaco Tel 377-42 16 50 Fax 377-42 50 19 42

#### Monaco

New apartments ready and 96 from \$250,000 - for a Studio to approx \$5,000,000 for the Duplex Penthouse - for prices/plans etc. phone 31 297 530338 or fax 1 297 533111, English spoken

#### FRANCE

##### COTE D'AZUR, FRENCH ALPS, CHARENTE.

All areas of France for villas, townhouses, cottages, apartments and chalets. Contact Agency No 1 Tel/Fax 01928 855211

#### COTE D'AZUR VILLAS

4 bed villas, 15 mins. Nice airport. £109,500 Tel UK 01883 652842

#### PORT LA GALERE (M. Cannes)

2 bedroom flat on the most exclusive street in the F. Riviera. Top security & facilities, fantastic views £250,000 Coast & Country, the English Estate Agents on the French Riviera. 01233 610637

#### FRENCH PROPERTY NEWS

Monthly, old, new & 30 properties, legal column etc. Ask for your FREE copy now Tel: 0181 947 1024

#### ALL FRANCE "The Magazine"

Full colour magazine 100s of French props. For free copy tel or fax 01497 831771

### FOR SALE

15 min. from Geneva.

In France, right on the edge of the lake,

## Exceptional Property



Main residence comprising 12 rooms, including 7 bedrooms and caretaker's house. 35,000 m² of parkland, with swimming pool. 250 m of waterfront, ports and landing stages. Stables with 5 loose boxes, garage, etc.

For all information, please contact

J.-P. ODIER

Estate and Financial Consultant - Geneva

Tel. +41.22 / 346 95 35

or easier still, fax us your visiting card on

+41.22 / 789 33 02

and we will send you a complete set of documentation.

### SWITZERLAND

#### SWITZERLAND

Magnificent top quality individual chalets built to order in a choice of superb locations in the heart of the Swiss Alps and Lake Geneva region.

For information including

apartment contracts

THE SWISS EXPERTS

DAVID DE LARA

& PARTNERS

23 Whitehall Avenue

GB-London W4 3HA

Tel: (+44) 0181 742 8788

Fax: (+44) 0181 742 9563

#### SWITZERLAND

##### Lake Geneva & Mountain resorts

The top real estate and holiday apartments in the Lake Geneva region. Call 0181 742 8788. Fax 0181 742 9563. Email: d.lara@swiss-experts.co.uk

### WEST ALGARVE

#### VIVENDA ALAGOAS

Only 6½ years old, this spacious villa in a wonderful position near the sea and villages in the West Algarve, has recently been refurbished to a high standard to provide an idyllic residence with its own pool and attractive gardens.

Reduced to £185,000.

For full details call 01223 514241

### COUNTRY PROPERTY

#### STRUTT & PARKER

## Gloucestershire - Cotswolds

Chipping Campden 2½ miles, Moreton-in-Marsh 4½ miles, London Paddington 90 minutes

A sumptuous and graciously presented first floor apartment in a Grade I Mansion

37½ ft drawing room, study, kitchen, 3 bedroom suites

studio/bedroom 4, cloakroom, lift, double garage

Communal gardens and grounds, about 35 acres with tennis courts.

Region £395,000

Moreton-in-Marsh office: Tel: 01608-650502

Ref 15AR/11

### BELGIUM

## BELGIUM

### Brussels, Av. Fr. Roosevelt

luxurious house in residential area • surface 500m²

• grand hall • beautiful stairs and backstairs

• big reception hall 16-century mantelpiece

• big separate dining room 40m² • 3 bedrooms

• 2 beautiful bathrooms • very big caretaker's lodge

• plot of land 50a with view on 'le Bois de la Cambre'

price to be discussed: FB 100,000,000

for more information, EPIP tel n°: (0032) 2.626.08.78

### BELGIUM

## BELGIUM

### Brussels - Block of flats

36 luxuriously furnished flats of 120m² up to 160m² • built in 1995 by architect Marc Corbier

• surface 5,000 m² • garages • can be turned

into unfurnished flats of hotel de luxe

• 272, av Louise •

price: FB 400,000,000 to be discussed

for more information, tel n°: (0032) 2.626.08.78

### FOCUS

#### Immobilier

#### Business and Family Estate

#### in Kronberg

Located in a preferred and exclusive area, this 'Jugendstil' villa from around 1900, offers both an excellent business and exclusive living quarters. With ca. 400 m² living space, the residence has been totally updated and renovated.

Traditional ceilings of 3.90 meters. • Original 'Jugendstil' interior. • Stylish and elegant driveway entry. • Size of lot: 1,200 sq.meters. • Greened yard with older trees. • Garage, carport and several parking places. • Offered at DM 3,000,000.-

06173/5065

Main: 1 u. Berliner Platz 1

61476 Kronberg/Taunus

## French Property Feature

Saturday, August 3.

This coming August, the Weekend FT will be focusing on properties throughout France. Both Gerald Cadogan and Ann Spackman will be examining the French property market and a perfect opportunity exists to advertise your properties to an affluent, international audience.

For further details contact

Nadine Howarth on 0171 873 3211 Fax: 0171 873 3098

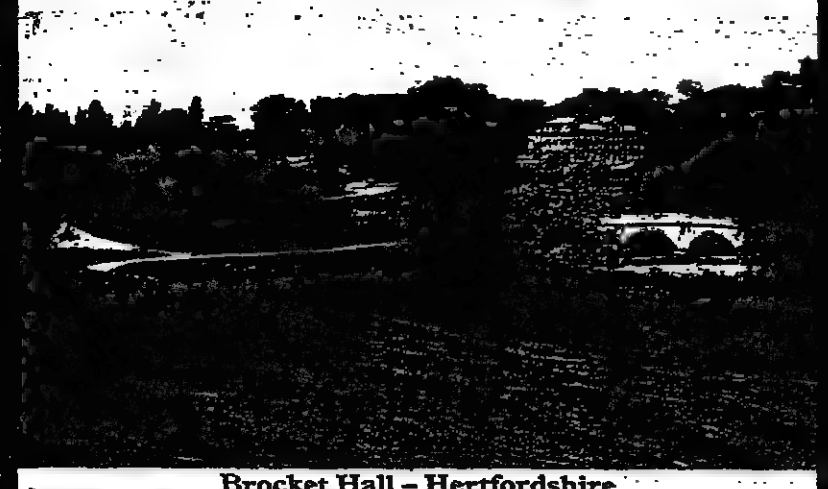
Financial Times

مكتبة الامير



## COUNTRY PROPERTY

## STRUTT &amp; PARKER



## Brocket Hall - Hertfordshire

Central London 22 miles, Heathrow Airport 29 miles, A1M 1 1/2 miles.  
One of the most important residences in the south of England developed into an international  
Conference Centre and 18 hole Golf Course.

Grade I Listed Mansion with Ballroom, State Rooms, 30 Bedroom Suites with conference facilities for 150 delegates.  
Paved tennis with 16 bedrooms, 9 bathrooms, 18-hole, par 72 golf course and landscaped club house.  
Landscaped park and woodland.  
About 543 acres (C20 list).

For sale as a whole or a capital asset, a 125 year lease at 2 piggery units (subject to various occupancies).  
Indications of short interest in the lease to be submitted to the Joint Agents by 11 July 1996 (lease to be submitted).

London Head Office Tel: 0171-493 4114 Fax: 0171-493 4115  
Joint Agents: Knight Frank, Tel: 0171-629 8171.

13 Hill Street, Berkeley Square, London W1X 8DL. Tel: 0171-493 4114 Fax: 0171-493 4115

## Knight Frank INTERNATIONAL



## North Devon

Pemberton, Barnstaple about 4 miles. Barnstaple about 9 miles.  
A superbly situated ocean fronting house with privately  
owned beach and glorious views to Lundy Island.

Main house: 31' reception room, dining room, master bedroom,  
dressing room, bathroom on suite, 2 further bedrooms with bathrooms,  
communicating annex with 3 bedrooms and bathroom.  
Separate office/playroom/bowling. Hard tennis court, croquet lawn.  
Landscaped gardens, paddock and stable.  
Cottage: drawing room, dining hall, 3 bedrooms with bathrooms.  
Garden studio, heated swimming pool, rose garden and ocean views.  
The Mansard: 1 bedroom flat and garage for 5 cars below.

As a whole or in 3 lots  
(Lots 2 and 3 will not be sold prior to Lot 1).

Apply: Knight Frank (01992) 423111

01992/423111

## South Devon

Dirisham, Dartmouth about 6 miles.  
Probably the finest riverside house in the  
South West of England set in the security  
of its own 78 acre peninsula.

Hall, 32' drawing room, 3 further reception rooms, billiard room,  
conservatory, kitchen/breakfast room, master bedroom suite with  
dressing room, bathroom and balcony, 3 further bedrooms with  
bathrooms, bedroom 5 with shower room, 2 bedrooms staff flat.  
Garages, stables and outbuildings. Planning permission for indoor  
pool complex and further guest/self accommodation. Attractive  
gardens and grounds, 3 slipways, 14 miles river frontage.

In all about 78 acres (31.56 hectares)

Joint Agents: Stratton Cribbs, Plymouth (01752) 665555  
Knight Frank, Exeter (01392) 423111 or  
London 0171-629 8171.

0171-629 8171

20 Hanover Square, London W1R 0AN

Tel: 0171-629 8171 Fax: 0171-493 4114

INTERNATIONAL PROPERTY

## Knight Frank INTERNATIONAL



## Germany

Wiesbaden, Rhine about 30 km. Mainz about 6 km.  
Wiesbaden about 10 km.

A most prestigious commercial vineyard  
situated in the famous Rheingau district  
with its own guest house, swimming pool,  
tennis court and family rooms.  
The vineyard is planted with Riesling and  
other varieties and is well equipped for  
tourism and estate office.

Business for sale as a going concern  
or as a vineyard. 16th Century building,  
16th Century machinery, workshop  
and further storage.

For further information please contact:  
London 0171-629 8171 Fax: 0171-493 4114  
20 Hanover Square, London W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London W1R 0AN

0171-629 8171

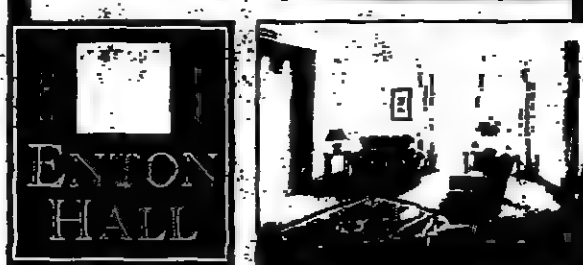
0171-493 4114

20 Hanover Square, London W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London W1R 0AN



## Eton Hall

Three Show Units Open  
Thursday through to Monday  
between 10 am and 4 pm

Phase 1 of the development of 31 Two and  
Three Bedroom luxury apartments and  
cottages near Goddington, Surrey

Godalming 9 miles Central London 35 miles A3 2.5 miles leading to 2025  
(110) 16 miles Heathrow Airport 10 miles Gatwick Airport 42 miles

Stunning views over the forested grounds and  
grounds which extend to about 50 Acres of  
beautiful West Surrey countryside

Excellent Leisure Facilities include indoor  
Swimming Pool and Sauna.

Two beautiful Tennis Courts. Some local Golf Club  
memberships available.

Long Leaseholds. Prices from about £175,000 to  
£300,000.

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

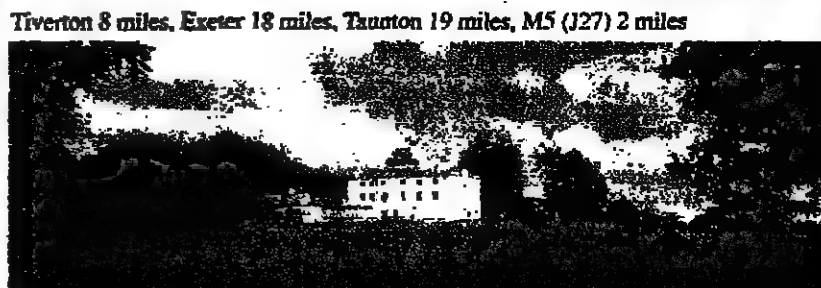
For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

PRICE ON APPLICATION

For further information, please contact:  
Seargill Mann & Co,  
8, Market Place, Ashbourne,  
Derbyshire, DE6 1BS.  
Telephone 01335 345440

## Humberts

DEVON 173 ACRES  
Tiverton 8 miles, Exeter 18 miles, Taunton 19 miles, M5 (J27) 2 miles



A Grade I Listed Georgian house in an outstanding 18th century parkland setting.  
The principal house, referred to as one of Devon's unsung surprises, having 5 reception rooms,  
9 bedrooms, 8 bathrooms, halls, kitchen, conservatory, gun room,  
staff accommodation, fully equipped estate offices and security systems.

Indoor pool, chapel, hangar and entrance lodge  
Stable block with 2 flats, loose boxes and garaging  
Gardens, ornamental lake and parkland  
Potential development land

FOR SALE BY PRIVATE TREATY OR IN TWO LOTS  
Contact: Nicholas Leeming, Humberts London Office: 0171 629 0909 or  
Nigel Talbot-Ponsonby, Humberts Leisure: 0171 629 6700  
Internet: www.propertyfinders.co.uk/humberts/

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

0171-629 0909

## FORESTRY

BIDWELLS  
CHARTERED SURVEYORS

## SOUTHERN SCOTLAND

## UNDER OFFER



THE FINEST PORTFOLIO OF  
COMMERCIAL FORESTS ON THE OPEN MARKET

1,840 ha (4,550 acres)

Comprises  
Quality properties, well located - High proportion of pure spruce  
Mainly mature and semi-mature timber - Approved harvesting plans  
Intensively managed crops - Proven internal road networks

Offers  
Immediate timber production - Sustained income yield  
Ready-made portfolio - Extensive marketing opportunities  
Potential for tax free income and mitigation of capital taxes

As a whole or in five lots

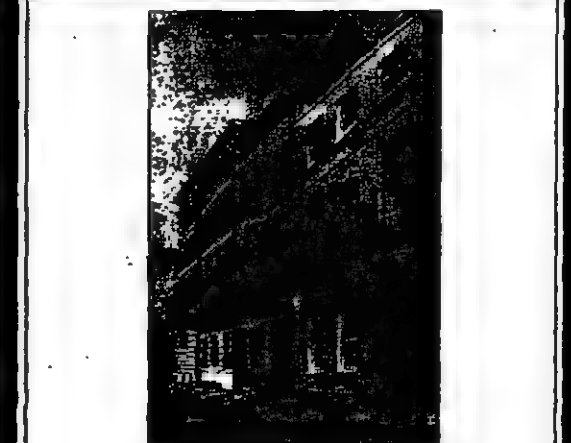
01738 630666

5 ATRILL PLACE, PETERHEAD PH1 1HE

BUY BY ENDANGERMENT - CAMBERLEY - FROTHINGHAM - NORTHAMPTON - NORWICH - LONDON - PERTH

## LONDON PROPERTY

## Knight Frank INTERNATIONAL



A perfect businessman's base in St. James's

A freehold house in a special and secure location adjoining  
St. James's Palace and adjacent to Green Park.

About 222m<sup>2</sup> (2,400 sq. ft.) gross internal  
£1,000,000

Joint Agents: Wetherell, London 0171-493 4033  
Knight Frank, London 0171-629 8171

London 0171 629 8171 Fax: 0171-493 4114  
20 Hanover Square, London, W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London, W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London, W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London, W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London, W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London, W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London, W1R 0AN

The natural choice  
of the discerning gardener.

The English Garden Collection - this exciting new  
mail order catalogue brings you an extensive range  
of quality products for working, and for relaxing in  
the garden.

From secateurs to spades, clothes to candles and  
tableware to tank benches, all are hand-picked by  
experienced gardeners. Each item offers the finest in  
quality, value and traditional craftsmanship.

Telephone our FREEPHONE  
number for your free copy of  
our Summer catalogue. We're  
open 24 hours 7 days a week.

Free 44 page catalogue.  
Freephone 0800 182 000

## ENGLISH GARDEN

The English Garden Collection  
1 Langley Business Centre, Station Road,  
Langley, Berkshire SL1 8DS

0171-629 8171

0171-493 4114

20 Hanover Square, London, W1R 0AN

0171-629 8171

0171-493 4114

20 Hanover Square, London, W1R 0AN

0171-629 8171

0171-493 4114



## FOOD AND DRINK

## A new trend in red wine blends

**B**lending is the buzz-word among wine-makers now. Back to death of 100 per cent varietals made from just one grape, they have been exercising their ingenuity in developing successful combinations, mainly of two grapes for the moment.

The horribly named Sem-Chard stretches available Chardonnay grapes and the magic of its name wherever Semillon grapes are in abundant supply.

Watery Colombard looks, and tastes, better if blended with Chenin Blanc, Chardonnay, Semillon - well, just about anything.

In reds, Cabernet and Merlot is a marriage made in vinous heaven. Bordeaux to be precise, Syrah (aka Shiraz) and Grenache is a union sanctioned in the southern Rhône

valley. Cabernet Sauvignon and Syrah is as much of an established success in Provence as Cabernet Sauvignon and Shiraz in South Australia.

But a new combo is emerging, mainly but not exclusively from the Languedoc: peppery Syrah and plummy Merlot, sort of Hermitage plus Pomerol.

This works only if the Syrah is not too ripe and sweet (it would be horrid in most of Australia, for example) but has scored some notable successes in the south of France, the flesh of the Merlot filling out the sparer frame of the Syrah.

Domaine du Pujol's 1994 Vin de Pays de l'Hérault (£5.50

Bibendum, London NW1), for example, is a deep-flavoured, very versatile wine for drinking at a wide range of temperatures throughout this summer while waiting for its big brother, the Coteaux du Langue-doc 1994 from the same domaine, to mature.

This chewy, garrigue-scented wine is 27 from Bibendum and is made up of Cinsaut, Grenache and Syrah but that matters not a jot.

What matters is that it is a true geographical rather than varietal expression, that could only be made here in the hills north-west of Montpellier, on a property recently acquired by Robert Cripps who was Bibendum's van driver in

## All change in Chile

The winemaker with the magic touch, Ed Fienery, has been poached from Corio Sur, Chile's best-value wine label, to make wine for the Errazuriz and Caliterra labels, whose previous winemaker Brian Bicknell has returned to New Zealand. Gaspar Carron, his former neighbour, has also moved north incidentally, to Francisco's investment in Chile's coolest Casablanca Valley. (Are you still with me?)

Knowing it is effectively the best of the Pinot line makes Corio Sur Pinot Noir 1995 all the more desirable, even if he was still in charge of fermenting the 1996 grapes, said to be excellent for Chilean reds. The Reserve 1995, from £5.99 to £6.50, at Victoria Wine, Oddbins and The Wine Society is stunning. Such stocks as remain of the regular version are £4.99 to £5 a bottle.

A previous incarnation, the most impressive Syrah-Merlot blend to have come my way is Domaine des Tour-1993, a densely herby wine, very much more Syrah than Merlot, made near Vacqueyras

vines and this Vin de Pays de Vaucluse could be aged for another four or five years if you have the patience. The Wine Society of Stevenson has not included it in its summer list but has 60 cases for sale at £84 each (£7.10 a bottle), reference number FC2851.

The cut-price versions come, rather perversely, from those supposedly upmarket stores

Waitrose and Marks and Spencer. Waitrose has stuck a label that would be more at home in a garden centre than a wine shop on their cute Domaine de Rose Syrah-Merlot 1995 at £2.99. This Vin de Pays d'Oc from Chantavert is much deeper in colour and flavour than one expects at this price.

M&S (which is showing great prowess under £3 just as prices are inexorably moving up elsewhere) has Domaine St Pierre 1995, a Vin de Pays de l'Hérault at just £2.99. This is yet another wine St Michael buys from Domaines Virginie and, just like his arrangement with La Chablisienne, seems to give him access to some good stuff.

This soft, fruity, full-bodied little red blends equal quantities of Merlot and Syrah with the red-fleshed Alicante made as though for a rosé.

And, finally, two examples which prove that this combination need not be restricted to the south of France.

Fairview's 1993 Shiraz-Mer-

lot (offered in its infancy by the Bin Club, tel: 01454-294085, to its members, many of them expatriate) was an equally successful South African blend along flirtatiously fruity lines.

A much more serious wine is made from Syrah and Merlot in Frascati country near Rome. Castel de Paolis 1 Quattro Mori 1993 is full, meaty, dense, glamorous, suave and more youthful than the South African example.

This is clearly an ambitious producer, rumoured to have a touch of Petit Verdot in mind for the next blend and also makes a stunning white blend from Malvasia and Viognier. Both wines are imported and sold to British restaurateurs at about £9.35 from Mille Gusti on 0181-997 3932.

Jancis Robinson



## Heroic eating in the fatherland

Giles McDonogh has an enjoyable time with two rather eccentric German hoteliers

**G**ermany is not a country which we readily associate with eccentricity. Mention the place and images of tireless conformity spring rapidly to mind: such as traffic-free streets with crowds of people standing doggedly at the pedestrian crossing waiting for the lights to tell them they may cross. Like all national stereotypes, there is a grain of truth to it: for one reason or another German society has always appreciated the citizen who conforms to the reigning norms.

All the more refreshing, then, when you meet a German who is wholly out of the ordinary. I met Andreas Kleber on a train in Wrocław, Poland. Confused by the ambiguity of the station signs, and correctly judging him to be German, I asked him if it were the right train for Dresden. I almost wished I had not: there followed a full description of the present, past and future destinations of the train, together with a historical evaluation of the train's performance compared with the pre-war timetables.

It transpired that Kleber devoted his spare time to travelling the European networks and mugging up on their history. When he was not on the rails he is back at his hotel in Saugau in Württemberg, where his family has owned for the last 353 years.

I next met Kleber at a Prussian food festival he organised in Saugau. At

dinner I found myself sitting opposite the writer Ernst Jünger. He was then a spritely 97-year-old. In March 1986 he turned 100 and a birthday party was thrown for him at the Kleber Post. President Herzog and Chancellor Kohl were among the guests.

The Kleber Post has always been about the best hotel and restaurant between Ulm and Lake Constance; a stretch of land famous for its wonderful rococo pilgrimage churches, such as Dominikus Zimmermann's Steinhausen only a few miles away.

I was last in Saugau last month. It was the asparagus season and Kleber's kitchen had the chance to show its mettle by creating a number of menus around one of Germany's favourite foods.

The Germans know a thing or two about asparagus. For the most part they shun the green sort favoured in Britain and seek the whitest spears from under the soil. Those who have never experienced the freshest asparagus of Freiburg or Ortenau in Baden, Nuremberg in Franconia, or Beelitz in Brandenburg, have yet to discover one of the greatest and most delicate flavours there is.

Germans do not just consume huge amounts of asparagus in season, they fall over themselves to find different ways of presenting it. On my first night at the Kleber Post I had some simply served up with a hollandaise, a floury potato, and a few fresh morels.

Then, for the next course, asparagus appeared as the foundation to a dish of salmon trout.

That meal was light compared with the feast Kleber served up the next day: asparagus with raw ham and Parmesan cheese; asparagus with local Danube catfish; beef broth with asparagus; asparagus with salmon tartar; and that was not including two or three dishes (cheese and pudding, for example), which did not include any asparagus.

**T**he Kleber Post recently opened a new wing, with comfortable modern bedrooms across the courtyard from the historic coaching inn, and Kleber has transferred the reception to the new building. That has left him a little space to play with in the former reception area of the old building. I asked him what he intended to do with it. I should not have asked. He is going to build a new history in a railway carriage.

Pegnitz is a little town on the fringes of "Franconian Switzerland", about 15 miles from Bayreuth. It was polished up in the 1950s and now, with one notable exception, it offers little of interest to the traveller. The exception is Pfaffens Post Hotel which, in stark contrast to the blandness of its surroundings, has to be the weirdest hotel I have seen.

The four brothers Pfaffens inherited

a family coaching inn called the Schwarzer Adler (this part of Franconia was Prussian until 1900). Their various professions made them ideal partners in the business: Andreas was the hotelier, Hermann the cook, while of the two remaining brothers, one became a butcher and the other an architect.

In the parents' day, the hotel had five rooms and a menu composed of hefty Franconian Hausmannskost: sausages and the like. The father brewed beer and distilled schnapps to give the place all the creature comforts of a German country inn.

Andreas Pfaffens, however, turned his eyes towards Bayreuth. Every summer the town was full of festivalgoers. With the help of interior designer Dirk Obliers, the old place was turned on its head to create 25 rooms and as many suites ranging from simple period pieces with half-timbering in the old wing, to futuristic fantasies in the new.

I stayed in the Parsifal Suite, a fine example of Obliers' Gesamtkunstwerk. At the centre of the suite was a sort of hi-tech "lair", containing a bed. It was constructed of metal, mirrors and equipped with a concealed television (with opera videos, of course) and speakers which allowed you to listen to the stock of Wagner CDs. At the flick of a switch 1,000 little blue stars appeared. Meanwhile, the marble bathroom seemed to owe something

to C.R. Mackintosh. The first man to sleep in this astonishing bed, it transpired, was Plácido Domingo.

In spite of its futuristic suites, the Post Hotel still has its feet in Franconia. When I arrived parched from my train journey, a chambermaid brought me a jug of beer from the hotel's own brewery. In one dining room, Hermann Pfaffens cooks recipes inspired by local traditions. The accent is on healthy foods.

Eating one night from the more elaborate menu I had a Viennese Beuschel (calves' heart and lungs) and excellent pigeon with potato dumplings and a plate asparagus (it was still May). The next day I ate Hermann Pfaffens' fole gras and then dipped into the Franconian menu to eat roast duck with a hint of paprika and a delicious baked apple in a calvados sauce.

Later the sommelier piled me with powerful local schnapps so that I retired to the Parsifal Suite in a heroic mood, once more to boggle at the eccentric fantasy world which served as my temporary home. Andreas Pfaffens, I told myself, would never be caught waiting at the lights.

■ Kleber Post, Saugau. Tel: (00 49) 07581 5012. Rooms from DM88-DM280. ■ Pfaffens Posthotel, Pegnitz. Tel: (00 49) 09241 7250. Rooms from DM200-DM500. Suites substantially more.

he thought the Rose Wine vineyard and remembered with pleasure only the lovely old renaissance houses and the excellent cigars he smoked in Bremen.

Helene, however, was delighted with his tipple. He called the Rose Wine "the rose of roses... The older it gets the lovelier it blooms." He drank with the cellar master, confessing that he would have knocked him down to get at the wine.

The present cellar master, Karl Josef Krötz, is kept on a tighter leash. Despite seven years' service in the Ratskeller in Bremen, it was only on June 1 this year that the Bürgermeister gave him permission to taste the Rose Wine as he measured out around 30 small glasses for his guests.

I was one of the select who tasted the 1693 Ridesheimer that day. It was certainly an extraordinary wine: dark amber with a powerful smell of coffee and cherries, like some venerable, old Madeira. The acidity was also huge, keeping the wine in shape after nearly 350 years in cask. Two senior members of the British wine trade confessed it was the oldest wine they had ever drunk, and by a century or so.

A taste from the Rose cask

was just a little extra to add to the good things we were experiencing as part of the festivities in Bremen to celebrate 350 years as a free city. Krötz had assembled 45 of Germany's greatest rising wines for a five-hour tasting in the Kaiserzimmer of the Ratskeller. The wines came from top vineyards beginning with the 1983 and finishing with the 1693.

What the tasting proved, beyond a shadow of doubt, was the amazing longevity of top German rieslings. I once tasted a Montrachet from one of the best vineyards of the 1930s, the most one could have said about it was that it still tasted of wine.

No one could have been so negative about the Bremen wines: Auslesen such as the Wehlener Sonnenuhr 1949 from J.J. Prüm, the Schloss Johannisberg 1945, the Hattenheimer Hassel 1933 from Schloss Schönborn, or the Friedrichsberg 1921 from Robert Weil were unforgettable. Often the vintage itself conveyed a sinister significance: 1833, for instance? The 1845 wines were an unbelievable achievement when you think of the state of Germany in the first few months after the war.

Then there were the Beeren- and Trockenbeerenauslesen. The Wehlener Sonnenuhr Trockenbeerenauslese 1959 from Prüm was one of the best in the tasting, unstaged, perhaps only by the Schloss Vollrads 1947 or the Erbacher Marcobrunn Beerenauslese 1963. This last wine was in superb condition with an astonishing balance and freshness of flavour.

A number of the wines had come from the Ratskeller's own stocks which were patiently rebuilt after the cellar served as an American officers' mess after the war. The only wines which were pronounced "off-limits" were the Rose and the 12 Apostles: a dozen casks of 18th century wines, one of which occasionally serves to ullage the Rose.

The tasting earlier this month was certainly a fabulous occasion and I feel honoured to have been asked. Indeed, I might even forgive the Bremen senate for the habitual mean-mindedness of the people who work in the city airport, and for the jerky old train which delivered a saluting English back to the Ratskeller.

Giles McDonogh

## "1995 En Primeur"

THURSDAY 11 JULY  
AT 5.00 p.m.

For the first time ever at auction, an entire sale devoted to Bordeaux wine en primeur. Demand for the excellent 1995 vintage is already considerable and likely to increase.

For this sale, CHRISTIE'S have secured over 1500 cases from 72 of the most sought-after Chateaux. Prices range from as little as £80 per case up to £1000.

For further details please contact  
Paul Bowker or David Elwood on (0171) 389 2723.

**CHRISTIE'S**  
8 King Street, St James's, London SW1Y 6QT  
Tel: (0171) 839 9000 Fax: (0171) 839 7669  
Internet: http://www.christies.com

**G**uests are invited to enjoy Anton Edelmann's skill in matching wine with food at a special four-course dinner at The Savoy Hotel, London. Edelmann, the hotel's maître chef de cuisine, has designed a menu of langoustines, ravioli of fole gras with ceps, fillet of lamb and an interesting three-dessert mix, which includes a raspberry soufflé.

As each course is served, Edelmann will talk about the dish's provenance and preparation. Winemakers Wolf Bloss of Australia and Antonin Rodet of Burgundy will explain the chosen wines and how they complement each dish.

Eighty people can be accommodated. The price is £85 a head and tickets for the event on July 8 include a Laurent Perrier champagne and canapé reception at 7pm.

FT readers will receive a copy of Anton Edelmann's *Fast Feasts* (HarperCollins, £19.99, 175 pages) at no extra charge but you must specify when you make your

reservation that you read about the dinner in the FT's appetisers column. The offer will be limited to one book per reservation.

For further information ring 0171 420 2355.

■ A wine bargain: Chianti famously comes in all shapes of bottles and at a bewildering array of price levels. Most cheap Chianti is highly suspect but the Chianti Rufina 1994 in Tesco's daring new range of Chiantis from different areas within the region is exceptional.

Bleeded by whizzo oenologist Franco Bernabei, it is absolutely typical of Rufina - solid but with real bite and even ageing potential - except that it is only £3.99. But what on earth is Tesco doing selling an "Italian Shiraz"? Jancis Robinson

## Appetisers

## It's a match at The Savoy



Before lunch was over, 22,000 worth of goods had been bought on the stolen card.

The second is perhaps an even cheekier tale. As a couple sat down to lunch the woman placed her handbag on the table. They were approached by another couple who pretended to be lost and proceeded to spread a map over the table and the bag while asking for directions. Once these were kindly given, the second couple then left with the map and the handbag.

You have been warned.  
Nicholas Lander.

■ Traditionally, London wine auctioneers have not competed with retail merchants in offering very young vintages, especially those en primeur not yet in bottle. But for the first time, on July 11, Christie's is selling 1,520 cases of 1995

clarets sold by the Bordeaux negociant Dourthe: wines from no fewer than 72 estates, overwhelmingly classified.

They include 20 dozen each of five first-growths: Margaux, Lafite, Latour, Mouton and Haut Brion; and 10 dozen of Cheval Blanc. With few exceptions, the 658 lots of red and 27 of white, range between one and three dozen apiece.

In the present, dear-

**FARR VINTNERS**  
No-one sells more fine wine in the U.K.  
We make it easy and profitable to sell your wine.  
Cash or broking terms offered.  
Contact Jonathan Stephens  
Tel: 0171 828 1960  
Fax: 0171 828 3500

hysterical state of the market, all are likely to sell, at high prices, and the buyers will include merchants unable to secure the quantities they want from other Bordeaux negociants.

Nevertheless, the knock-down prices may reduce the normal retail mark-up and they will also include customs duty of just over £12 a case, 17.5 per cent VAT and 10 per cent buyers' premium imposed by the auctioneers.

Accordingly, at current prices, it is doubtful whether those who buy to make a profit, rather than draw the corks in years to come, will be successful.

Edmund Perring-Rousell

**CLARETS**  
VINTAGE PORTS  
WANTED  
We are interested in buying  
all types of vintage clarets  
and port wines.  
Please contact:  
WILKINSON VINTNERS LTD  
Five Wine Merchants, Cornhill  
Ed London NW3 2LN

مكتبة الادب







## TRAVEL



Egyptian sailing feluccas on the Nile: a chance to watch the timeless panoramas unfold

## Cruising back in time

John Torode takes the last classic paddle steamer down the Nile

It is the oldest, slowest and smallest of the 251 cruise ships which glide between Luxor and Aswan on the Upper Nile. Yet as the gliding floating hotels pulled rapidly past the SS Mahasen (recently renamed Time Machine), their impersonal decks were crowded with American and Continental tourists waiting to capture on camera the charm of the last classic paddle steamer in service in Egypt.

It was bliss to have in acknowledgement of various stars as we sat feeling superior on our pocket-sized sun deck sipping hibiscus tea or the unexpectedly good local Stella beer.

What is it that attracts a certain type of British tourist to the Mahasen? The fact that it is the sister ship to the Memnon, used for the Agatha Christie movie *Murder on the Nile* (The Memnon is now, alas, a waterfront restaurant in Cairo). Or fantasies inspired by the knowledge that the two boats were built in 1908 as toys for the Egyptian royal family? The decadent King Farouk arrived here on ornate feathered mattresses before becoming bored and turning the boat over to his cabinet. It was sold in 1981 after the assassination of President Sadat and restored as a labour of love by Colonel Sameh Ghemelli, a retired cavalryman.

The Mahasen is about austere period charm, not luxury. It has 19 tiny cabins, one dining room with six tables, unimpressive food and no choice of menu or table companions. There is a delightful Arabesque saloon, all mahogany and inlaid ivory, with a modest bar in one corner and a sun deck. But there is no swimming pool, no night club, no cinema - not even a souvenir shop.

Instead, there is an inevitable intimacy with the other passengers, the 31-strong crew, and the country. The colonial regaled us with tales of derelict-do during his service days. The captain, pleasantly named Aladdin and who, in best Egyptian style, turned out to be the colonel's brother-in-law, became a friend. The dignified Nubian stewards, most of whom were related, were soon swapping family details with us.

Unusually, we had the same guide all week and he travelled with us on board ship. Hani, intelligent as well as charming, had graduated from Cairo University in Egyptology and English. He treated us like intelligent adults, eager to learn. Given the concentrated and physically demanding nature of our crash course in Egyptology, this was a bonus. It was not prepared for the early starts, the rough terrain and the scale of the impressively preserved Egyptian tombs and temples. Nor for my lack of cultural context.

What drove this astonishingly rich but curiously static civilisation, which peaked some 4,000 years ago, and then hardly evolved during the millennia? Why did these ancient Egyptians dig massive tombs, each one bigger and grander than, say, the Whitehall War Rooms from which Churchill conducted the second world war, in the grandeur of the bleak Valleys of the Kings, Queens and Nobles in the Theban mountains? And then obsessively decorate every wall with beautiful, stylised but repetitive painted scenes of death and resurrection, and fill great ante-chambers with tens of thousands of rich and beautifully worked objects needed in the after-life?

There is a special charge to visit the tomb of Tutankhamen, the only royal tomb discovered unlooted. The boy king's mummy lies in a golden sarcophagus within which is a

coffin of pure gold weighing 995lb. His resting chamber is painted with exquisite portraits, including 12 baboons guarding the gates to the underworld. The ink black ceiling still sparkles after 3,500 years with stars of gold leaf. In one ante-chamber, at least 8,000 glorious artifacts were discovered, including disassembled ceremonial chariots and great thrones. And this was an obscure monarch, whose passing was hardly worth marking.

The largest temples are Luxor and Karnak, 3km apart, but the most perfectly preserved is at Edfu and dedicated to the falcon-headed god, Horus. This pleasant provincial town, midway between Aswan and Luxor, was the high spot of the cruise. It was buried under protective sand dunes until excavated in the 19th century and an unusually high proportion of the bas-reliefs have survived defacement by early Christians.

Others preferred the Temple of Isis at Philae - the island complex shifted by a UNESCO-led operation to save it from a watery grave after the Aswan High Dam was built by President Nasser. Visit it by night, on a tiny sailing boat, and attend the walk-through sound and light show. Visually, the experience is stunning, although the chiche commentary delivered in booming Shakespearean style generated hoots of derision.

For those who prefer something more passive, a cruise on

When I was replete, I watched magicians, jugglers and troupes of male Nubian dancers

all we saw on the day was blood in the gutters. Later in the day, I discovered a park behind the Temple of Luxor. It was crowded with families out for the equivalent of an Easter Sunday picnic. In spite of terrorist attacks down river, there was no sense of Fundamentalist tension here. The men were dressed in white robes, the heavily veiled women in black with gold

embroidery and the little girls in elaborate party frocks with bright bows in their hair. Again and again, I was beckoned to join in domestic feasting, and when I was replete, I watched magicians, jugglers and all-male troupes of Nubian dancers. Outside, in the souks, I had been hustled to buy souvenirs or give bakshesh, but rules of hospitality applied here. I was not allowed to contribute when the collecting boxes went around.

Incidentally, many of the hustlers in the souks sell bargains - beautiful Nubian jewelry, for example, or fine local cottons and silks. Haggle ferociously, and accept theatrical explosions of anger or contempt as part of the ritual. Initially, offer 10 per cent of the figure that the stallholder first proposes. You should settle at

around 20 per cent of that first proposal. If you do get into trouble, two magic wands will put an end to commercial (or sexual) harassment. Just yell "tourist police" and watch your tormentors disappear. Voyages Jules Verne (tel: 0171-723 5066) is the exclusive agent for the SS Mahasen. An all inclusive seven-day package costs between £250 and £300 a head.

guards which attracts large numbers of tourists to the Buckingham Palace. The food was pure Monegasque: a little local pizza smothered with onions to start, small marinated red mullers, wild mushrooms in garlic, *petits farcis* (stuffed vegetables) including tomatoes, onions, courgettes, peppers, some red fruits in syrup and mascarpone cheese.

It is a pity the principality does not flaunt more its local, simple, herb-flavoured gastronomy, rather than its Michelin-starred chefs at the big hotels of the Société des Bains de Mer which owns the casino and is controlled by the government. Apart from the Castrol, you can find delicious Monegasque specialties at a stall in the Monte Carlo market where you can buy local pizza, *petits farcis* and *beignets* (fritters usually made with aubergines) to take for a picnic on the yacht. And, yes, even the Société des Bains de Mer has discovered the attraction of Monegasque food. At La Vigie, its prettiest restaurant opens summer at the rocky point of the Monte Carlo Beach. They serve a fabulous *buffet provençal* under big parasols from where you can watch the Beverly Hills crowd preening themselves under their green and white tented canopies as you are serenaded by Mexican musicians. A trifle vulgar, you may argue, but not a bad way to spend an afternoon.

Paul Betts

## HOLIDAYS &amp; TRAVEL

## KOREA

**The ASIA Experience** Discover KOREA "A Different Asia"

Price includes: 7 nights at Pacific Hotel, 3 half day tours, Airport Transfers.

**SEUL SUPER-STAY £999**

**ORIENTAL HIGHLIGHTS £2499**

3Nights Seoul, 2Nights Bangkok, 3Nights Beijing, 3Nights Hong Kong.

Price includes: 14 Nights, 3-4 x Aircon, 2-3 x Excursions, 7 x Meals.

5% OFF ALL BOOKINGS BEFORE 31 JULY 96

**0171 636 4343**

24 HOURS BROCHURE HOTLINE 0171 636 4343

## AUSTRALIA

**Ultimate AUSTRALIA**

**FIVE STAR ISLANDS**

Lizard, Bedarra, Orpheus and Hayman

Contact the people who really know Australia

For further info and a brochure Tel: 01284 762255 Fax: 01284 769011 Email: info@ultimate.com.au

**TRAVEL PORTFOLIO**

24 Chichester Rd, Brighton BN1 3PE

## JAMAICA

**JAMAICA Exclusive**

**AIR JAMAICA BUSINESS CLASS UPGRADES**

when you fly with Elegance

Reserve to the luxury resorts Half Moon Club or Round Hill, Montego Bay and Jamaica Inn, Ocho Rios

14 nights from 1995 including 7 free nights

Other special offers available - please call. Upgrade applies until 31 October

**Elegant Resorts**

THE OLD PALACE, CHICHESTER, CH1 2AS

**01244 897 999**

ASTA 01212 ATOL 288

## ITALY

**Citalia**

For 65 years the acknowledged expert of Italian holidays

FOR YOUR HOLIDAY ACCOMMODATION PLEASE CALL AND QUOTE FTB

**01235 824354**

ASTA 01235 ATOL 281

TUSCANY, UMBRIA and coastal regions in Italy. We have some of the best private villas & farmhouses with a pool, small, excellent knowledge as we deal direct with owners all in our splendid Tuscany now colour brochure. Tel: 0171 272 6488 Fax: 0171 272 6184

OVERLOOKING Porto Cervo, the countryside and the sea, beautiful old farmhouse with pool. 500 sqm. Also other properties on Monte Argentario 1 1/2 hours north of Rome. Tel: 0181 987 9919 Fax: 0181 747 8243

## CARIBBEAN

ST BARTS: Luxury villas with pools to rent in paradise. Contact Caribbean Charters for new brochure with details of prices & other villas on 20 islands. Tel: 0171 722 0722

## SPAIN

**La Manga Club**

Villas with pools Golf/Tennis/Villages

**HOLIDAYS by Design**

**01444 401234**

21A FUSION

## EGYPT

**Nile Cruise**

7 nights Full Board Guided excursions

**JUNE £299**

**JULY £349**

Xmas & 1997 avail

**0181 440 9900**

11P LAL ABEN 0122

## IRELAND

**E.C.L. Chauffeur Drive**

Arrivals Hall Dublin Airport

Transfers - Tours - Business trips

Luxury Saloons and Mini coaches

PH. 00 353-1-7044062 Fax: 00 353-1-7044063

## LUXURY IRELAND

**Elegant Resorts**

of Europe brochure

**01244 897 777**

ASTA 01212 ATOL 288

## FRANCE

**PROVENCE**

Beautiful villa in Provence with swimming pool & maid. Sleeps 8 & available August. Contact French Charters for this & other beautiful properties to rent in France. Tel: 0171 722 0722

## FLIGHTS

**Ofrequent flyer**

TRAVEL CLUB

• INTERNATIONAL • IN-PAN FLIGHTS •

ALL DESTINATIONS EX LONDON

BRISBANE/PERTH	£750
BRISBANE/SYDNEY	£575
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250
BRISBANE/SEOUL	£1250
BRISBANE/TOKYO	£1250
BRISBANE/NEW YORK	£1250
BRISBANE/SINGAPORE	£1250
BRISBANE/BEIJING	£1250
BRISBANE/HONG KONG	£1250
BRISBANE/SHANGHAI	£1250



## TRAVEL

# The spiritual metropolis of the Scots

Leslie Gardiner visits Stirling, a provincial town which commands the Highlands and the Lowlands

Pick the soil with a spade, the ancient Greek said, "and you uncover the bones of heroes." That phrase could apply to the landscape round Stirling Castle. From its ramparts, they say, you can see seven battlefields. Or you might if they were not smothered by a sprawl of low-cost housing and industrial buildings, decorated with the dirty grey herring or pebbledash favoured by Scottish local authorities.

Almost underfoot is Stirling Bridge, over the river Forth, where Wallace in 1297 defeated the English. At Falkirk, a little farther off, he lost the return match.

In a cottage beside the motorway at Sandhurburn, in 1688, James III lost his life, having earlier that day lost the battle. Your eye ranges on, towards Edinburgh and the Pentlands Hills, and if you include the various skirmishes thereabouts the killing fields number more than seven.

Just south of Stirling Castle, close to mid-Scotland's Spaghetti Junction where the

motorways from Glasgow, Edinburgh and the north come together, is Bannockburn, the most celebrated battlefield in Scottish history.

Patriotic fervour has run wild over the scene of England's bloody nose of 1314. Souvenir shops, gigantic murals, continuous movie presentations, sound effects and may displays proclaim Scotland's biggest heritage centre.

An avenue leads uphill over the sacred turf to commemorative walls and pavements (vandal have destroyed some attractive mosaics), to the Borestone (honed stone) with its socket in which Bruce's standard may have been planted and to Pilkington's huge black equestrian statue of the Liberator himself, silhouetted against the sky.

Call it brass, call it vulgar triumphalism, point out that Bannockburn was not fought there at all but several miles away. Compare the hysteria of Bannockburn with the masonry stone of Flodden across the border and its simple inscription, "To the brave of both nations" but remember that

this is haunted, hallowed ground for every Scot and a symbol of his determination to be Scottish.

Looking north beyond Dunblane you can see the heathery, bracken moor of a battlefield which, alone among the seven, actually looks like one. The A9 Stirling-Perth road runs by it and a signposted track takes you to the Gathering Stone of Sheriffmuir, where the Old Pretender's army of Jacobites met government troops in 1715.

Burns wrote of thousands hastening to the charge, of hacking and hatching and broadswords clashing - but Burns was not there.

Satirical verses tell a more likely tale of mudpies, mismanagement and no one knowing why they were there. "Some said that we wan, and some said that they wan, And some said that name wan at a man."

Ballads celebrate another battle of Falkirk, another Jacobite affair of 1746 in which Bonnie Prince Charlie claimed a sensational victory. It did not halt his progress and one of them, Major James Wolfe



Stirling Castle in Scotland: compact and frivolous when compared with Edinburgh

(Wolfe of Quebec), probably got it about right when he said: "Twas not a battle, for neither side would fight."

Geologically, the Castle Rock of Stirling replicates that of Edinburgh, a crag-and-tail formation, a granite rock and a trail of rubble where the glacial flow was interrupted as it scoured out the valley of the Forth.

On that ridge of rubble the old town of Stirling took shape. The downhill street is no Royal Mile but once you have passed

the mandatory heritage centre there are traces of a Jacobean heyday: Mary's Work, the mansion of Scotland's premier earl; Argyle's Lodging, another aristocratic town house; Darley's House with a signboard "Nursery of James VI and his son".

The old civic centre includes a Market Cross and a Tolbooth (jail) and the Holy Rude church (wood or cross) where John Knox, the Protestant fanatic, presided at the coronation of James VI who, like his mother Mary Queen of Scots,

was born and brought up a Roman Catholic.

Like other Scottish towns which are huddled under a rock and hemmed in by a river, Stirling has parking problems and its chief attraction, the Castle, involves a breathless climb.

If it offered nothing but the view it would still be worth it. Ignore the deadly rash of housing estates, the motorways and the flowering towers of the Grangemouth refinery along the river. Stare incredulously at

the Wallace Monument sprouting from a hillside, like something Mad King Ludwig might have commissioned. Then turn your eyes westward, where the land is bright.

You are looking over the wasp waist of Scotland and the line where the Lowlands end and the Highlands begin. The river Forth, which almost cuts Scotland in two, comes swirling in S-bends among the weeping clays of the agricultural belt. The Trossachs, Rob Roy's "bristly country", hold

the middle ground and Ben Ledi and Ben Lomond are cardboard cut-outs against the setting sun.

Where Edinburgh Castle is extensive and grim, Stirling Castle is compact and frivolous, a Renaissance complex of little windows, crow-stepped gables, enigmatic carvings and twisted chimneys.

Royal Palace and Parliament House have had millions spent on their refurbishment. You can get married and hold wedding receptions here. On many a Saturday afternoon the esplanade presents scenes reminiscent of the bloodier events of Scottish history.

Amid the jigsaw of courtly constructions, near the gatehouse, is the regimental museum of the long-time garrison, the Argyll and Sutherland Highlanders. It stirs recognition by movie buffs.

It was the *mise-en-scène* of a travesty of army life, very popular in Scotland, called *Turn of Mind*, featuring the doughty Scot Alec Guinness and the English wimp John Mills.

Patriots have suggested that Stirling, not Edinburgh, might be the capital of an independent Scotland. They have a point. What other small provincial town boasts a royal palace and castle, a cathedral (Dunblane, 8 miles away), a university (Bridge of Allan, 5 miles away) a nexus of motorways and seven battlefields?

Stirling commands the Highlands and the Lowlands, is equidistant from Glasgow and Edinburgh and a mediator between the warring passions of those cities. Best of all it has Bannockburn, the spiritual metropolis of the Scots, and is central to the Bruce, Rob Roy and James of Glens stories, important for all who confuse Hollywood with history.

## WORTH LEAVING HOME FOR!

Prices start from an almost unbelievable £17.50 per person per night, inc. VAT!

For details of our nationwide collection of individual hotels, which include historic coaching inns and traditional seaside hotels, serving delicious meals, fill in the coupon or write for our Leisure Options Brochure to: Regal Hotel Group (Leisure Options), Sherwood House, London Road, Newbury, Berkshire RG14 1NE. Telephone: 0345 697699.

REGAL HOTELS A COLLECTION OF INDIVIDUAL HOTELS

Enjoy a Summer break at one of the most splendidly restored historic houses in Britain

Prices start from £90 per person per night (minimum 2 nights) to include dinner, bed and full English (or Welsh) breakfast, VAT and free visit to a local historic property. Telephone the hotel of your choice.

HISTORIC HOUSE HOTELS

BOYNGALL HALL North Wales Tel: (01493) 584466

HARTWELL HOUSE Vale of Aylesbury Tel: (01296) 747444

MIDDLETON HALL York Tel: (01904) 841941

The Rising Sun LYNNOUTH HARBOUR EXMOOR.

Renowned 14th Century theatre manager by overlooking small picturesque harbour and Lynmouth Bay. Excellent restaurant specialising in local seafood and game.

Special "Maritime" Dinner available. The Rising Sun Hotel, Lynmouth, Devon. EX35 9EQ. Tel: Lynmouth (01598) 753222 Fax: Lynmouth (01598) 753406

Take a beautiful Georgian Country House Hotel, overlooking a famous valley. Add a Country Club with 22 acres of grounds. Spacious, light, airy, comfortable rooms, swimming pool, tennis, golf, heated swimming pool, and a lovely garden. A choice of local cuisine or a la carte. All in all, a perfect place to relax and enjoy the best of both worlds. Full details and booking information. Tel: 01225 634644 Fax: 834961

BRASSNOCK HILL - MONYTON COMBE - BATH - BA2 7HT

SWISS COTTAGE HOTEL 4 Adamson Road, Swiss Cottage London NW3 3EP

Your home from home in London. Situated just minutes from the West End and Wembley, this Victorian Town House Hotel is ideally located, whether you are in London for business or leisure.

Tel: 0171 722 2281 Telex: 297222 SWISCO G Fax: 0171 483 4888

The Blakeney Hotel AARAC 410000 Blakeney, Nr. Holt, Norfolk NR25 7NE Traditional, privately owned family hotel overlooking National Trust Harbour. 60 bedrooms all en-suite with colour TV & phone. Heated indoor pool, spa bath, saunas & solarium. Casual white lounge, cocktail bar & garden. Life. Visit us, eat, sit, walk, drink, play golf & view historic places in Sandringham, the Norfolk village, countryside & coast. Midweek & Weekend Breaks 4 & 7 Day Holidays Tel: 01263 740797 Fax: 01263 740795

Executive Hotel Reservations 50% OFF 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 £45.00 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

Whitechapel Manor Nr South Devon, North Devon EXMOOR'S PREMIER AWARD WINNING HOTEL AND RESTAURANT In the heart of the Red Deer and the Foothills of Exmoor lies one of Devon's oldest and most historic manor houses. An ideal base to visit Exmoor National Park, National Trust, Devon and Cornwall, and many other.

11 TELEPHONE 01769 573377 SPECIAL SUMMER BREAKS AVAILABLE A&A RED KINGS & ROSETTES RAC BLUE RIBBON

12 Your Escape in the Highlands 25 minutes east of Inverness Airport. Central for golf, country, beaches, walks and shopping. Fishing, scenery and visiting distilleries. Quiet for meetings and relaxing. Award winning restaurant and bar. Fine wines and collection of art objects. Tel: 01330 673146 Fax: 01330 673288

BUDOCK VEAN GOLF & COUNTRY HOUSE F.O.T.H. Enjoy the unique atmosphere of this fine hotel situated in 65 acres of glorious parkland on the banks of the Budock River. It is a place of outstanding natural beauty. Unfettered free play on our challenging golf course. Spectacular lakes, landscaped park and tennis courts. Basking in the sun and National Trust properties nearby. Tel: 01296 352626 Fax: 01296 352627

the Essential Hotel guide For details of advertising in the next Essential Hotel Guide On 27th July 1996 which focuses on Ireland Please telephone Dominique Moseley: 0171 873 3576 fax 0171 873 3098

100 YEARS OF CELEBRATING LIFE -14- BADRUTTS PALACE HOTEL: SUMMER SEASON JUNE 29 - SEPTEMBER 2, 1996 Blessed by an agreeably temperate alpine climate, one of Europe's most attractive holiday resorts is the ideal place to relax playing tennis, golf, riding, sailing, paragliding, skiing, enjoy a bar-becue in the Palace gardens - or a horse-drawn carriage trip under ancient pines. Take a cool refreshing dip in the Palace indoor or outdoor pool. Or visit our fitness centre with squash and indoor golf. All rounded off by a wide choice of events and entertainment. Stay with us and it won't merely feel like you're at home: you will be!

Jubilee summer rates (half board) Single: Sfr. 250 to Sfr. 440 - Double: Sfr. 400 - to Sfr. 750 - From our calendar of events July 14-23: Palace Tennis Event with Alan Mills July 28-August 4: Palace Jubilee Week July/August: Palace Bridge & Backgammon Tournaments For information and reservations call: Badrutts Palace Hotel, CH-7500 St. Moritz, Switzerland Tel: +41-(0)81/837 10 00, Fax: +41-(0)81/837 29 99

15 ENJOY A RELAXING BREAK AT THE MAGNIFICENT ALEXANDER HOUSE HOTEL. PRICE FROM £85 per person per night to include overnight accommodation, full English breakfast and 3-course table d'hôte dinner. HOTEL SET IN 135 ACRES OF BEAUTIFUL GROUND & GARDENS, CROQUET LAWN, TENNIS CLOUT, GYM, SMOOKER ROOM, ALL FOR YOUR ENJOYMENT - PLUS LOTS TO SEE AND DO IN THE SURROUNDING AREA. OPEN AIR CONCERT SUNDAY, 23ST JULY OVERNIGHT SPECIAL £50 PP P/W. For Reservations Telephone: 01342 714914 Fax: 01342 717328 ALEXANDER HOUSE - Turners Hill, Sussex RH10 4QD

16 HIGHBULLEN Country House Hotel, Chislehampton, North Devon "Included Via International View." Highly Rated Restaurant. "40 on-side rooms in all the Imperial Hotel Guides" "4 Crowned Highly Commended Restaurants from £47.50 to £75.00 pp per person including dinner, breakfast, service and VAT" UNLIMITED FREE GOLF - OUR COURSE WILL BE EXTENDED TO 18 HOLES (PAR 67) BY EASTER (RESIDENT PROFESSIONAL). 18 MILES OF SALMON & SEA TROUT FISHING. Indoor & outdoor heated pools, outdoor & indoor tennis. Squash, croquet, billiards, games, steam room, sauna, spa bath, indoor parking, massage and beauty treatment. Executive conference room 20. Children over 18. REVENUE/DELUXE 4 double bedrooms 85 acre semi-ancient woodland. Telephone 01769 548561

17 Enjoy the historic and tranquil atmosphere of a Derbyshire country house. Nominated by the AA as one of "The Most Romantic Hotels in Britain". Recommended by all leading Guides. Telephone 01433 879744

CROFT & CASTLES Throughout Scotland Holiday properties splendid or simple, day to tomorrow for 2 to 22 and dogs too. Tel: 01835 879744 Fax: 01835 879711

19 The Manor House at Castle Combe AA 4 red star Country House Hotel. 18 hole championship golf course. Individually designed luxury bedrooms, award winning cuisine, fine wines and professional friendly service. Peace and tranquility in enchanting surroundings. Summer and Golfing breaks 01249 782206

20 GOLF FOR BEGINNERS Make a start and learn to play in lovely borders near Stirling. Professional instruction and accompanied practice on several local courses. Enjoy your stay in lovely country house in family guest. 110-120 approx. combine Golf and visit to Edinburgh Festival (01835) 850769 (For many important public improvements contact us.)

The Clifton Hotel 21 FOLKESTONE'S PREMIER HOTEL Elegant Regency-Style cliff top hotel. 80 bedrooms ensuite, satellite TV, welcome tray, telephone, Solarium. CLIFTON WEEKEND BREAKS 2 nts DBS £87 pp - 2 nts DBS £102 pp 3 nts DBS (breakfast 5 nts) £144 pp inc VAT ANYTIME BREAKS 2 nights DBS from £102 pp - LEISURE BREAKS 7 nts or more DBS £45.50 pp daily SHEPHERD FESTIVAL 30th - 1st Nov Air show, fireworks, Motoring Prizes Tel: 01303 851231

22 SCOTLAND'S HERITAGE HOTELS Scotland's leading group of quality independently owned hotels including castles, manor houses and fine country houses. All located amidst Scotland's finest scenery and close to all our major tourist attractions and places of interest. Each hotel offers the highest standard of accommodation, food and service combined with its own historic or architectural interest. The elegant and unique interiors and superb locations of our hotels will provide a true taste of Scotland to the international visitor. Several real Scottish customs in our restaurants, many of them award winning, and relax in the warm friendly atmosphere that makes Scotland's Heritage Hotels truly special. For our FREE colour brochures and today please write, fax or telephone our central reservations office.

23 The Victoria AA 4 red star Hotel Early Summer Breaks Luxurious accommodation, exquisite cuisine, fine wine, personal service and with leisure facilities too numerous to mention there's hardly no better way to enjoy "One of England's finest Hotels". Call Stidmouth (01596) 512651 for our Brochure for all Seasons Tariff and Brochure

24 THE ANCHOR HOTEL • RESTAURANT • BARS WALSLEY • SOFOLK • IPSWICH Tel: 01502 722112 Fax: 01502 722283 Tryd, wavy, fed up with the stresses of modern life? Then the place to be is The Anchor. A small, unpretentious hotel set in the village of Walsley, twice sea, river and marshes, only a short distance from Southwold. With simply furnished rooms filled with quality antiques. Advance award winning beers and wines, and a kitchen providing delicious food both in the dining room and bar, you are in the right place to truly relax and forget life in the city. A walk across the dunes to the beach, a stroll through the village to the harbour, a hike through the forest to Dunwich, lunch at The Ship Inn - it sounds too good to be true! Telephone for our brochure or reserve a room now 01502 722112

25 GET LOST ... As in Romantic Escape In a luxury Cornish holiday home by the sea. An oasis of character, calm, charm, comfort and cuisine. Our own beach, dunes, woods, meadows, 100 year old garden, fishing, tennis, bowls, riding, and farm, and fish. Pets welcome. Library and mini-sauna. Golf locally - Spring/Summer breaks. CASHIEL HOUSE HOTEL CORNWALL, CO. GALWAY Miles from anywhere but only 5 hours from London Tel: 010-353-65-31001 FREE BROCHURE. FLY TO GALWAY.



## ARTS



'The Sponge Diver' by Winslow Homer: a distinctive spirit at work with an amplitude of scale and an unfussy openness

## Awash with American spirit

William Packer admires an exhibition of watercolours on loan from Boston

We pride ourselves here in the UK on our tradition of painting in water-colour, and not without reason: but we make a great mistake in supposing ourselves unique in the accomplishment. Equally, achievement in art is never an international competition, so to be faced with work that challenges our too-comfortable superior assumption is not a question of which is the better. Confronted by the magnificent group of watercolours by American artists of the late 18th and early 19th centuries, now on show at Edinburgh, we are only lost in admiration at their quality, and intrigued by what national differences they might declare. The only disappointment is that the selection offered by Boston's Museum of Fine Arts from its collections is so small.

The period covered runs from the 1860s to the 1940s, which takes us from the work of such painters as

James Hamilton, Thomas Moran and Samuel Colman, steeped in the grandeur and sublimity of the Turnerian model, to the evident modernism of such as Georgia O'Keeffe and John Marin. But even in those early and apparently derivative examples, we find a distinctive spirit at work – an amplitude of scale to match the vast American wilderness they celebrate, that only then was being opened up. There is a broad-shouldered sweep to it, an unfussy openness, a certain swagger beneath all the technical sophistication, that it is not unkind to label typically American. These qualities we find throughout.

The famous names inevitably take charge, given the comparatively small compass of the show. Even so, John Singer Sargent apart, Edward Hopper and certainly Winslow Homer are not so well-known over here that a substantial spread of their work is gratuitous; and Sargent anyway is always a joy.

The Homers are particularly fasci-

nating, beginning as they do in the 1870s with their roots in Victorian narrative, amounting at times almost to illustration, and then developing rapidly into images of the most vigorous, free and broadly-stated detachment. One painting, of a colourful house at street-corner in Santiago de Cuba (1886), prefigures English neo-impressionism and Edward Bawden in particular, by 60 years. But here his finest paintings, of the forests and lakes of the Adirondacks, come a little later, around 1890, and are descriptive evocations rather than exact representations in the loose sweep and flow of the paint, the trees looming dark, moody and atmospheric above the little canoe upon the water.

Sargent, on the other hand, astonishes precisely by the exactness of the description he achieves by the lightest, most free and rapid of means. Nothing could be truer to visual experience than the shadows that dance across the glaring-white wall of the Corlote cabin, or the reflected light

from the water shimmering upon the underside of the Rialto Bridge (both 1909). And all is done, or so it would seem, by nothing more than a flick and a smudge. The affectionate notes he makes, too, of his family party relaxing during its passage of the Simpson Pass (1911), the women doing on the bank beneath their parasols or sketching away, spare brush in berth, all broad hats and full skirts, are miracles of spirited and exact economy. With quite a start, we realise these are not notes at all, but the real thing.

But there is great surprise and more pleasure to be had of the names less well-known: Charles Burchfield, with his long, straight white road running down and away (1939); Marguerite Zorach's schooner in the Bay (1919); and John la Farge's vertiginous precipice (1891). Childre Hassam's Chicago Nocturne (1888), dark shades of Whistler with

its with its flares and specks of light, suggests a close affinity with Scottish contemporaries, and Arthur Melville in particular.

The wonderfully idiosyncratic Prendergast is frustrating only in that one wants to see so much more of his scurrying, colourful crowds, at once simplified to the point of abstract notation, all dots and blobs, and yet characterised with a gentle and humorous precision. Here is a holiday crowd at Handkerchief Point (1897), white sails far out at sea and family groups scrambling about the rocks. A pretty young mother hurries urgently towards us in full sail, elbows skimming, white skirts flying, her husband, child in arms, valiantly bringing up the rear. Wonderful stuff.

*Awash in Colour* – Great American Watercolours from the Museum of Fine Arts, Boston: National Gallery of Scotland, Edinburgh, until July 14, then to Amsterdam. Sponsored by The British Linen Bank.

## Television/Christopher Dunkley Drama in the Prix Italia

Television may vary from country to country, though less than you might hope, but all over the world programme makers seem to be subject to the same sort of pressures. Chief among these in 1996 is the growing domination of market forces and the consequent retreat of public service broadcasting. The more dominant the market becomes (i.e. the more television becomes commercial) the more you find that drama consists of series and serials and the fewer single dramas are produced.

Like all proper equations this works in reverse. Show me a country which still produces a significant number of single dramas and I will show you a country which still has, or until recently had, a strong tradition of public service broadcasting. You can extend the rule. Adaptations from classic literature are a sign of public service drama with a powerful moral dimension – not wagging a finger necessarily, but with an interest in life's moral uncertainties – suggests public service broadcasting; whereas murder mysteries, police series and serials about any emergency service tend to indicate the dominance of market forces.

There are 32 entries in the television drama section of the Prix Italia festival, many of them wearily long. The five entries from France alone occupy a stupefying eight hours. Many, if not most, bear out these rules, and the British entries provide a classic example. The BBC has put in *Life After Life*, a bleak but powerful single drama written by Graham Reid. It is about an IRA lifer who finds, when released on parole, that his self-image as heroic freedom fighter is no longer recognised by the rest of the community, nor even by his own family.

TV, Britain's chief commercial broadcaster, which has spent 40 years competing with the BBC for audiences and prestige and often been described by its own personnel as a quasi public service organisation, has entered Episode 1 of *Band of Gold*. This is, of course, a serial. Involves murder, all dots and blobs, and yet characterised with a gentle and humorous precision. Here is a holiday crowd at Handkerchief Point (1897), white sails far out at sea and family groups scrambling about the rocks. A pretty young mother hurries urgently towards us in full sail, elbows skimming, white skirts flying, her husband, child in arms, valiantly bringing up the rear. Wonderful stuff.

It is likely – does it even seem possible – that those now using cable and satellite to vie with the old broadcasters will ever originate material as rich as this? Hardly. No doubt they will relay Hollywood movies to us, but probably the very best we can expect in the way of real television drama is the sort of production entered here by Globo TV of Brazil: an episode from *Cine Piu: Her Loves And Sins*. An adaptation of a novella, this is well enough made, well acted and amusing, but its chief selling point is plenty of sex.

Obviously these are not hard and fast rules. There is nothing unusual about old public service broadcasters making police series, and once in a while commercial broadcasters still make one-off dramas, even costume dramas. But the Prix Italia, which is in its 46th year, has been attracting many of the best programmes from around the world virtually since the dawn of television, and it seems pretty clear that these are the exceptions that prove the new rules.

The music journalist Norman Lebrecht has added an unexpected topicality to the Wimbledon season. Monday's *Kalidoscope*, presented by Lynne Walker, dealt with his recent doom-laden prophecies about classical music. Among those who have waxed fat at the art's expense (according to Lebrecht) are the manipulators like Mark McCormack, the wheeler-dealers in talent, both musical and sporting, who control the appearances of the biggest names and trot them round the world like the most select horses.

By happy coincidence, Radio 5 Live's *Moguls* on the

## Radio/Martin Hoyle Wheeler-dealer who calls the tune

following day featured the self-same McCormack as the week's tycoon. For such a powerful man he emerged as oddly colourless. The nearest thing to eccentricity was his diary, divided into periods of 15 minutes (in quite a number of which, Andy Warhol's dictum

notwithstanding, he manages to be famous).

Trained as a lawyer, he was a golfer of international amateur competitive standard before signing on one Arnold Palmer in 1960. He is agent, manager, television producer and packager. He introduced the concept of business hospitality – and "the most highly-in-demand entertainment marquee in the world" – to a grateful Wimbledon while deciding that it should be sponsor-free (that is that the Centre Court should be innocent of advertising).

The Golf Open praises him for respecting its traditions. He invented and owns the World Match Play Championship at Wentworth; and there's the rub. As a renegade from McCormack's ICM agency explained, Wentworth invites players to participate; some clients are more favoured than others – and in theory an obscure Japanese golfer can be invited to please his sponsors rather than as an accomplished sportsman.

McCormack has written books for aspiring business executives containing his "ten commandments of street smartness". He has "handled" (as one says in the biz) the Pope on tour, to the gratitude of the Holy See. "It relieved us of hassles and problems of bad taste," observed one manager cryptically. Television rights for the World Cup, besides the International Amateur Athletic Federation and FIFA, are in the McCormack sights.

And music? McCormack's agency deals with (I nearly wrote "owns") some of the greatest names among musicians and conductors on the international scene, and the superstar marketing that applies in sport is said to be ruining the classical music industry.

Tantalisingly this lay outside the sports programme's brief, doubly annoying since the presenter was David Mellor, the Minister of Fun, you remember, who fought his corner with the Treasury so well that he increased funding for the arts by over 30 per cent: a Good Thing, possibly the only Good Thing to hit the arts under the Conservatives. One can only hope they got on to music and that the discussion – which should surely be less anyone than this affirmation of McCormack's integrity – is awaiting a slot.

Not many McCormacks were produced by British redbrick universities, to judge from *Bloody Students*, Radio 4's jumbled and inconclusive series on – well, bloody students. Impressionistic rather than linear, it painted a rather unprepossessing picture of education and sometimes of those who sought it, including the fashionable of the booming 1990s.

Last week's finale included touching vignettes of seven girls huddling cosily in one bed to watch television in the infested with mice and rats and boasting a lull that leaked on to the table of the kitchen

beneath. Touching too was the realisation that a degree no longer guaranteed a job. We heard of them queuing to work at McDonalds while a Big Mac manager proudly explained that there was nothing down-market about McDonalds. He sounded curiously like Arthur Daley.

Changing stresses in education were illustrated in last Saturday's *Leviathan* when British attitudes to Europe were put in historical perspective. There were actually kind words for liberal Britain, its doors always open to refugees from an intolerant and unstable continent with its reliance on standing armies; and an emphasis on the insularity of European nations while Britain's benevolent imperialism explored other hemispheres and really rather liked a lot of alien cultures. This put on the British lion's head would have been unthinkable even a couple of years ago.

Equally revisionist were some brave American voices in Radio 3's *Last Stand*, part historic evocation, part documentary about the recreation of General Custer's defeat at Little Bighorn a hundred years ago by enthusiasts who resemble our own Sealed Knot with its revived Civil War battles.

Some cautiously incorrect (politically) voices referred to it as a massacre, noted the archaeological evidence that the Native Americans (sic) were just as polluting in their way as the white man; that they killed one another for gain; that, in short, the idea of an unsullied paradise brutally ravaged by the white-eyes might be a romantic myth. Phrases of romantic heroics in Ireland, Scotland, Africa and India take note. Just to keep things in perspective, you understand.

## Spitalfields Festival

## Weir's musical whinnies

The lively Spitalfields Festival has just ended, and its third evening was given over to a "Composer's Portrait": of Judith Weir, as it happened – who is one of the festival's artistic directors, along with the composers Michael Berkeley and Anthony Payne. A festival which is lucky enough to have composers directing it naturally expects to play some of their music.

This particular "Portrait" offered new and recent Weir, starting with *Horse d'oeuvre*. Characteristically jokey and clever, it consists of three songs to poems (Feringhetti, Wang Wei and Anon.) which happen to mention horses.

The first is accompanied by virtuosic whinnies from a solo horn; the Wang Wei poem, about a farewell, suggests the closing scene of *Das Lied von der Erde*, and Weir's small ensemble conjures up a weight of Mahlerian grief.

They were artfully delivered by Jane Manning with her band Jane's Minstrels, for whom Weir had also produced a chamber version (!) of Waltraute's narration from Act 1 of *Götterdämmerung* – a fascinating close-up of the music, though non-Wagnerians might be puzzled by it.

Finally we had her 1994 *Musicians Wrestle Everywhere* (title from Emily Dickinson), a pawky little chamber

concerto inspired by the street sounds of London. S.E.19: breezes from the Elephant & Castle. Nigerian pop rhythms, wind-chimes from a squeak.

You would not guess without being told, but Weir has built an attractively odd, cogent piece from them – rather in the vein of Janáček's ever-

green *Mládí*, which had begun the concert: not by accident, I imagine.

Berio once declared that the purpose of a musical education was to connect the ear directly to the brain: that is the happy situation of Judith Weir.

David Murray

WORKS OF ART FROM  
**THE BUTE COLLECTION**

**LONDON. 3 JULY 1996**

VIEWING:  
Sunday 30 June 2.00pm - 5.00pm  
Monday 1 July 9.00am - 4.30pm  
Tuesday 2 July 9.00am - 9.00pm

ENQUIRIES & CATALOGUE SALES: (0171) 389 2804

**CHRISTIE'S**

British Taste  
in the  
Grand Manner

8 King Street, St. James's  
London SW1Y 6QT  
Tel: (0171) 839 9060  
Fax: (0171) 839 1611

Chandos King Street - 1-5 July 1996

ONLY 1 WEEK TO THE EVENT!

**THE TENORS**

**LIVE IN LONDON**

**WEMBLEY STADIUM**

NEW TICKETS BEING OFFERED  
IMMEDIATE BOOKING RECOMMENDED  
EXCLUSIVE VHS AND AUDIO  
IN THE COMPANY OF THE THREE TENORS  
TELEPHONE 0181 795 7772

0181-990 1234 • 0171-420 1000 • 0171-344 3444



## ARTS

# Off the top of the scale

Despite the sky-high fees demanded by some musicians, Andrew Clark explains why the music will never stop

Singing for your supper takes on new meaning today, when Luciano Pavarotti, Placido Domingo and José Carreras entertain their Japanese fans at Tokyo's Kasumigaoka National Stadium. The concert kicks off a Three Tenors world tour, designed to cash in on the money-spinning format of the World Cup concerts of 1990 and 1994.

The tour comes to Wembley Stadium in London on July 8, followed by Vienna (July 13), New York (July 20), Gothenburg (July 26), Munich (August 3), Düsseldorf (August 24), Toronto (January 4) and Melbourne (March 1). For each concert the tenors will get a guaranteed fee, plus a

share of the profit. With television and recording royalties, they can expect to take home between \$2m and \$12m from the tour.

No other classical artist - not even Caruso - has had access to this kind of money. By acting like pop stars, the Three Tenors are getting paid like pop stars - and who can blame them? Pavarotti is 60; Domingo and Carreras are vocally past their best. By burying their rivalry, the Three Tenors have done themselves a favour and given pleasure to millions.

Pavarotti & Co have opened the eyes of the world to the fact that there are two sorts of high note in classical music. The Three Tenors' pulling power puts them in an earnings super-league of their own - but even in the subsidised sector, the top conductors, singers and instrumentalists are pocketing more

from a single concert than most people take home in a year. Lorin Maazel's contract as music director of the Bavarian Radio Symphony Orchestra is worth an estimated £2m. The soprano Cheryl Studer and Edita Gruberova earn up to £13,500 for performances in Munich and Berlin. The pianist Evgeny Kissin has a take-it-or-leave-it fee of £13,000, and Mstislav Rostropovich has been known to demand \$50,000 for a single concert.

Even accounting for inflation, these figures are far higher than the top fees of the 1950s and 1960s - a reflection of the increasing commercialisation of classical music. A generation ago, singers had to wait until their careers matured before

record companies and the publicity they generate to maximise sales. The more interest you stimulate worldwide by advertising, media interviews and carefully selected engagements, the more demand you create for your recordings and concerts. The greater the demand, the higher the fee.

This has a snowball effect: a year ago Roberto Alagna, an exclusive EMI artist, was paid £12,500 for a concert in Paris; this year he and his wife, the soprano Angela Chazot, will make \$35,000. Half the work for more than double the money; the glamorous couple are a marketing dream. So is Bartoli. Skillfully promoted by a New York businessman, Jack Mastroloni, and armed with a Decca contract, she has more than tripled her fee in the past three years.

The arrival of the super-agency has also raised the stakes. Over the past quarter-century a handful of agencies have cornered the top end of the market, allowing them to dictate terms to opera houses and concert promoters in a way that was unrealistic when artists were managed by a host of smaller agencies. In the US, for example, it has become virtually impossible for a conductor to make an impact without being on the CAMI agency's books.

But the latest evidence suggests the boom years are at an end. The problem for the music business in the 1990s is that income is not keeping pace with fees. Box office prices have been pegged - a dramatic hike would chase away audiences - and the value of state subsidy began to taper away a decade ago, most noticeably in the UK. Even Germany is now feeling the pinch. Some commentators are painting a

doomsday scenario: there is talk of a "crisis" in classical music, with orchestras going bankrupt, opera houses in deficit and a shrinking group of high-earning dinosaurs. The reality is less sensational - and more complex. Behind its sophisticated exterior, the classical music business is a market - and like any other market, prices are open to negotiation. With their backs to the wall, the more astute orchestras and opera houses have begun to fight back. The Berlin Philharmonic no longer engages the violinist Anne-Sophie Mutter, Herbert von Karajan's former protégé,



because it is not prepared to meet her asking price of \$42,500. Bartoli has priced herself out of the Salzburg festival. "Bartoli is a good singer, but she's not worth that sort of money," says Gerard Mortier, the festival's director. "It's time managers put their foot down."

Some orchestras and opera houses will always break rank - that is the nature of competition - and there is growing evidence of private money being used to plug the gap between available resources and the fee demanded. Bartoli's recent London recital went ahead only because a sponsor came up with the money. Sponsorship also explains why singers like Carreras and Mirreille Freni continue to appear at the modest-sized Zurich Opera House.

But artists are learning that unless they modify their demands,

they will confine themselves to a very narrow market. "That's why the top range of fees can be misleading," says one leading opera house manager. "People in the business take those figures with a grain of salt - these are figures asked for but rarely agreed. We're increasingly telling agents that it's nice they can get that sort of money elsewhere, but this is what we can offer: take it or leave it. They all make deals if necessary."

That explains why Domingo and Pavarotti continue to sing at Covent Garden, why Rostropovich still works with the London Symphony Orchestra. Most leading artists appear in London for between 40 and 60 per cent less than they get in Berlin, Paris or New York. "Of course, if you're willing to pay more, people will ask for more," says Clive Gillinson, the LSO's

chairman. "You have to be strict about it. Many of them feel it's important to appear in London, and they want to play with a great orchestra. Initially some find our fees hard to accept, but after discussing it, it's very rare that we can't come to an arrangement whereby both sides are satisfied."

The same applies to the British regional orchestras, which have suffered a bigger drop in purchasing power than their London counterparts. In the 1960s, the Royal Scottish National Orchestra could afford artists of the calibre of Rubinstein and Schwarzkopf. Today its sights are lower, "but I'm happy with next season's programme, because it's repertoire-driven rather than star-driven," says the orchestra's chief executive, Paul Hughes. "We still attract artists like Jean-Yves Thibaudet, Felicity Lott and

Midori, because they know they'll have a good time here. In music, the people who earn the most are often those who are most driven by money."

Hughes puts his finger on a valid point: the vast majority of musicians do not regard their profession as a way to get rich. Thank goodness for that - otherwise our orchestras and opera companies would quickly disintegrate. When Freud said that musicians were driven by money, sex and fame, he could not have got it more wrong. What motivates them is a quest for wholeness: there is no activity which brings together all aspects of the human personality in the way, and to the extent, that music does. As long as that remains the case, the music will never stop.

Private View, Page XVIII.

Katie Mitchell's staging of Euripides' *The Phoenician Women* - new last October at the Other Place in Stratford-upon-Avon - is one of the finest productions of a Greek tragedy that I have ever seen, and one of the finest of all productions in recent Royal Shakespeare Company repertoire.

The play itself, running at slightly over two hours with out an interval, is the longest of all the extant Greek tragedies. Re-telling the Theban tale of Oedipus, Jocasta and their children, it combines several different threads of plot to suffice an entire trilogy (some sections of it are textually suspect), but it is this that gives it its strength. At the start, every one of Oedipus's family is still alive. By the end, parents have lost children, children have lost parents, a sister has lost her mother and two brothers. The beauty of Mitchell's production is the eloquent restraint with which she handles this.

It is moving to watch the stillness with which scene after scene is played. Jocasta (Lorraine Ashbourne) addresses her two sons, Eteocles (Sean Murray) and Polyneices (Deirdre Kerrigan), who are tragically at war with each other, and the tension between the three of them becomes memorable because of the fixed triangle they describe onstage. Eteocles, who will not share the throne with his brother and who clings tyrannically to power, stands at a greater distance from the other two. Polyneices, who has only shared Thebes during a truce, stands with his body turned at a defensive angle from his other; and Jocasta, as she sheds and urges them both to get the illusory charm of her, opens her body to both. Body language throughout is telling. Reunited with her grandson Polyneices, Jocasta embraces him with a degree of embarrassing



Tragedy at its finest: a scene from Katie Mitchell's superb production of Euripides' *The Phoenician Women*

Theatre/Alastair Macaulay

## A bright new era for Greek drama

physical intensity where maternal instinct enters into the erotic. Full-arm gestures are sometimes used - gestures of truly classical economy, suffused with both intensity and spontaneity, and full of expressive beauty.

The problem with modern stagings of Greek tragedy has usually been musical: how do you bring off the choruses? But Claire Hughes's music here - like Mike Sands's for the Gate's excellent triptych of Euripides plays, *Agamemnon's Children* last year - makes me hope that we may be entering a bright new era for Greek drama. Metre, polyphony, speech, chant and song are beautifully blended in idioms drawn from Eastern Europe

and the Near East, different in each choral ode. There is a sense of folk tradition, of ritual involvement at its most open-spirited.

Within the group, we are frequently aware of the individual contributions. I am especially haunted by one tenor voice, tracing a marvellous mazzin-like vocal line during the third part of the second chorus and some repeated calls, swelling on one high note and then descending, with a beautiful portamento, into a hushed conclusion. Liz Ranken's movement - though metrically too simple for Euripides or for this music - is absolutely in the same ritual, simple, fresh style. The sense of ritual is further

refreshed by the way in which

Mitchell has most of the soloist actors, changing their costume and make-up, join the chorus when their acting scenes are over. And yet - although we recognise amid the chorus the actors who have previously been playing Antigone, her slave, Polyneices, Eteocles, and others - the drama stays new, and we believe that the chorus wants to know what will happen next. Since they do, so do we.

The translation, by David Thompson, has the immediacy and modernity of Euripides. In several details, it is questionable - it adds a far stronger suggestion, for example, that Jocasta prefers Polyneices to Eteocles than I can see in Euripides - but its spirit carries

the staging. Although the pronunciation of Greek names is always a dodgy area, I do not know why the actors choose to pronounce the "ai" of "Polyneices" as if it were bisyllabic. And I know that it is incorrect to pronounce "Colonus" as if its second "o" were short.

I concentrate on style here because a play like *The Phoenician Women*, recycling so much Oedipal material, would get nowhere if it were performed in a style that was not persuasive. As it is, this production makes an exceptionally strong case for this play. I love the human details it supplies as it prepares to pile woe on woe: the quasi-Homeric scene in which the young Antigone and her slave survey the

warriors from the city walls has a surpassingly touching lyricism.

All the actors do very well: the contributions of Lorraine Ashbourne, Lucy Whybrow, Darlene Johnson are exceptional. This staging ranks beside the RSC's 1994 *Ion* and the Gate's 1996 *Electra*, *Orestes*, and *Iphigenia* (*Agamemnon's Children*). These productions - to my mind, far more serious than the Diana Rigg *Medea* or the National Theatre *Women of Troy* - make us see how diverse and surprising a dramatist Euripides was, and how accessible he still can be after the millennia.

In RSC repertoire at The Pit, Barbican Centre, EC2.

Aldeburgh Festival/David Murray

## Lindberg's 'Engine'

Last year the Aldeburgh Festival found itself playing host to a startling popular success, the British premiere of Magnus Lindberg's *Aura*. When it concluded, even the zimmer frames were enthusiastically rattled. *Aura* proved to be one of Lindberg's most energised pieces, very loud but also persuasively cogent, on the long-sighted scale of a big Sibelius movement.

A Royal Festival Hall audience should have heard the Philharmonia play *Aura* last Saturday, but funding problems forced the cancellation of the concert - like many another promised orchestral evening on the South Bank this season. The loss was doubly a pity, for Lindberg himself is currently presiding over the South Bank's "Meltdown" festival, in which that Philharmonia concert should have been the prime event.

Nonetheless the South Bank, Aldeburgh and the London Sinfonietta had had the collective good sense to commission a new piece from him (for less costly forces). *Engine* had its Aldeburgh premiere last Friday, by the Sinfonietta under Markus Stenz, and can be heard in the Queen Elizabeth Hall this Sunday. It lives up to its title, less by driving rhythms - there is more light-and-shade in the piece than "Engine" suggests - than through Lindberg's characteristic piling-up of vital fragments, pressing one upon another in hasty profusion.

Since he joined Boulez's IRCAM establishment a few years ago, Lindberg has come to love computers. Different composers make different uses of them: his preferred method is to set the computer to generating patterns with specific constraints (in line with his original instructions), within which he gets on with fervent composing. He finds the computer helpful with "layering" the music in his current style, which involves running on distinct but simultaneous planes.

In *Aura* he achieved a sensational result. I suspect that *Engine* is a still a first draft, to be refined and developed later. The late bonus to the programme, a first performance of Lindberg's "revised" *Arena II* (premiered in Finland last year, here economically slimmed), gave good reason for suspecting that.

That piece develops Sondheimish "melody" above all - plant a short phrase, repeat it with new extensions - in such incisive orchestral sound, now, as to compel delighted assent. Further tinkering with Lindberg's *Engine* should bring its contrasts and continuities into equally sharp relief; but already it sounds almost as good as *Arena II*, which is saying a lot.

The next morning we heard a "Musical Portrait" of Julian Anderson, yet another young Cambridge composer. Besides his introductory chats, what we heard was an eight-minute confrontation for clarinet and piano, ending in shrieks and thumps, and two very tiny piano studies, along with other short pieces by composers he likes. By the end, one was no wiser about Anderson's music than before. The Cambridge establishment does push its young sprouts hard.

### ST. JOSEPH'S HOSPICE

MADE ST. JOSEPH'S HOSPICE

(Charity No. 2122)

Since 1965 we have shared the grief and eased the pain of countless suffering souls. Last year alone 900 found peace with the help of our vital gifts. Most of them died of cancer - but so sadly that you would hardly know. Your concern is as encouraging as your generosity and we thank you for your inspiring trust.

Sister Superior.

### GALLERIES

#### SOMERSET GALLERY

W1. 0171-493 2107.  
RAGNARD TO  
JCS BACON.

Sell, 10-26 July.  
Fri 10-6.

مكتبة الادب



## BOOKS

# Down the road to Damascus

Christianity could as well be called Paulianity, argues A.C. Grayling

Until the lions have their historian, says the African proverb, tales of hunting will always glorify the hunter. This truth is exemplified by the Old Testament, which tells us that the earth was apt to open and engulf the opponents of Moses whenever they disagreed with him. Needless to say, it was Moses (or one of his followers) who recorded his enemies' discomfiture.

Unusually, a somewhat different situation prevails among the founding documents of Christianity, a religion whose habits of internal divisiveness (there are currently over 20,000 Christian denominations) began within a few years of the Crucifixion.

This first instalment of Christianity's tenuous history is enshrined in St Paul's Epistles and St Luke's Acts of the Apostles. The early church of Jerusalem was a congregation of Jews who observed the Law and expected converts to Christianity to do likewise. Paul preached to the Gentiles, and said that Christ had replaced the Law. Gentiles could convert yet retain their forefathers and accustomed diets. Paul won; he is Christianity's first theologian; his Epistles are the first Gospel. The faith he preached could as well take the name Paulianity as Christianity.

He is a scholar of formidable parts. He commands a knowledge of all the relevant ancient tongues, all the history, and all the theology required to tease out an account of Paul's life from the slender and ambiguous evidence. Following a lead set by scholars of Tübingen in the 19th century, Murphy-O'Connor trusts Paul's Epistles first and Luke's Acts a long way second, for he has reservations about Luke's desire to smooth the early history of

Christianity so as to minimise its battles over precepts and pork – taken as the outward signs of profound spiritual matters.

Paul's special interest is that he was a Pharisee – and therefore a rigorous observer of the Law – who began by persecuting Christians and ended by giving them a theology; one which, moreover, taught that the Law had been superseded by Christ's suffering. Without Paul, Christianity would have remained a sect of Judaism, and might have gone the way of many of that ancient faith's Messianic offshoots. Paul made the message agreeable to a wider public, at a time and in conditions ripe for the seed

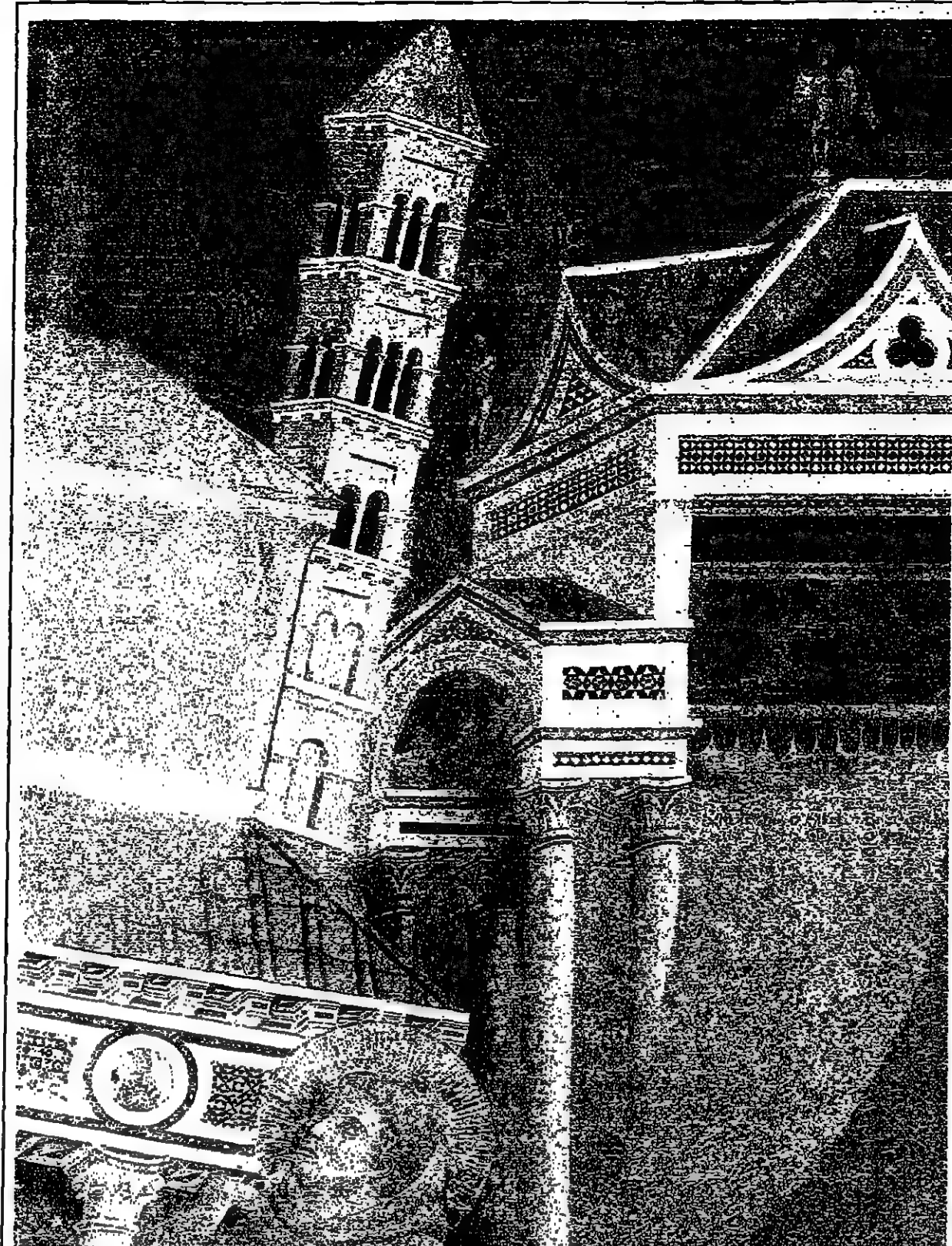
**PAUL: A CRITICAL LIFE**  
by Jerome Murphy-O'Connor  
Oxford University Press £35, 416 pages

to take root and, later, to flourish.

Murphy-O'Connor is known for his excellent companion guide, *The Holy Land*. That book has reached a wide public; this one aims at a much more specialised readership. He plunges straight into scholarly minutiae, which he handles with great skill, in order well take the name Paulianity as Christianity.

It is the life, travels and endeavours of this chief begetter of Christianity that Father Jerome Murphy-O'Connor relates. Murphy-O'Connor is a Professor of New Testament studies at the Ecole Biblique et Archéologique Française in Jerusalem.

He is a scholar of formidable parts. He commands a knowledge of all the relevant ancient tongues, all the history, and all the theology required to tease out an account of Paul's life from the slender and ambiguous evidence. Following a lead set by scholars of Tübingen in the 19th century, Murphy-O'Connor trusts Paul's Epistles first and Luke's Acts a long way second, for he has reservations about Luke's desire to smooth the early history of



A fragment of the Resurrection History of Christianity: detail from a fresco depicting the life of St Francis, reproduced in *The Resurrection of St Francis of Assisi: The Resurrection of St Francis, his Predecessors and Followers*, an illustrated book by Elio Langa (Thames and Hudson £16.95, 191 pages)

Murphy-O'Connor's datings differ by anything between one and a few years from the datings derived by others; each adjustment is argued in great detail. The chief interest of the book lies in its treatment of the historical, theological, literary and linguistic evidence for that detail.

Murphy-O'Connor offers no preamble and no summaries. The book reads like the

transcript of an especially intricate action for tort in the civil courts. It makes fascinating reading as a display of ingenuity and forensic skill, by whose help Murphy-O'Connor embroils a wonderfully delicate fabric of suppositions. It is the kind of book other scholars will delight to debate.

But it is not a biography in the ordinary sense; we are

offered a speculative account of a man and a mind at work, but nothing personal, nothing psychological; and this is hardly surprising, because the evidence is scanty, and consists of material largely propagandistic in nature.

One thing this book reminds us is that despite the expertise that has long been lavished on New Testament studies, and despite the definite advances

Murphy-O'Connor offers here, we know precious little about the chief figures in the origins of Christianity.

Where faith will not reach, guesswork – however refined – has to suffice. But it reveals enough, as Murphy-O'Connor's argument also (and perhaps unintentionally) shows, to make those origins look remarkably human after all.

# Fame – what's in a name?

Some years ago I received one-and-a-half telephone calls intended for Quentin Crisp. The first was from a highly educated BBC girl who, with no preamble, wanted to fly me to the Edinburgh Festival, adding that she had so much enjoyed meeting me at a party the night before. I had to tell her that I had been at no such festival, and was already going to the festival for these pages, and did she mistake me for someone else? She hung up without further ado. The half-call was from a maniac publicist who, with equal lack of social nicety, said "Hello, Clinton, we wonder if you'd like to... I shall never know more since I told him instead what I would like him to do, and hung up."

(Clinton Crisp was an intriguing half-way-house name, though, and maybe the call was for me anyway.)

I mention these brushes with Quentin Crisp's fame because they catch something of the flavour of his life as recorded in *Resident Alien*, a collection of entries from his New York diaries. As he says in an introduction: "I have gone into the same business. My agent tells me I can't 'do' fame, but I can't. And, indeed, he does, by accepting every junk-mail invitation to press shows and gallery openings where there may be peanuts and champagne – or what passes for bubbly on those nasty occasions – and by answering every telephoned or postal plea for advice or participation in film or TV show or lecture. Yes-saying, in Crisp's terms, means both his attitude to life – which is brave – and his willingness to turn up at all and every gathering on the peanut circuit, prospecting for free food and drink. His diet must be erratic, fiercely unhealthy, and it sustains his 86 years excellently well."

His life is, I suppose, as bizarre as any in New York, where bizarre is the norm. From his base in a single room in a Lower East Side lodging house, the telephone rings at all hours of day and night with calls from known friends and unknown maniacs (my one-and-a-half calls a sampling of this). Quentin Crisp ventures like some ancient but indomitable explorer into the New York jungle, saved from its dangers by his innocence and good nature. He is also often

whisked about the US, by known and unknown forces, as an icon of homosexual bravery from what seems a neolithic age of oppression and prejudice.

His journals record all this – parties, lectures, filming, and emotional appearances, and more parties – in succinct and sometimes amusing style. He is not always in sympathy with the current American obsession with a "gay" life-style: "gay men are like the children of the damned: if you tell one of them anything, spontaneously the whole bunch knows it"; and he is not fooled by a "gay" basket-ball team who "take no exercise other than walking up five flights of stairs and twirling invitingly to rock music". He is also good on the incidentals of travel: "the very moment I left Ohio, almost the entire state was

**RESIDENT ALIEN**  
by Quentin Crisp

HarperCollins £16.95, 225 pages

flooded again. Après moi le déluge."

As a portrait of a manic and unstable society that co-exists with so many others in New York, these diary entries are revealing. Quentin Crisp is jolly, obliging, observant, literate. Some mania – the once-amusing twice less-amusing third time damned-boring habit of calling everyone Mr or Miss, whence "Mr Shake spears", "Miss Madonna" – lead to a *four-nail* manner of the page which wears very thin. And the journal is brim full of personalities, who were Crisp's friends and who were Crisp's enemies. "Come with us," he cried. "Free food!" There is a price to pay even for gallery canvases.

Yet Quentin Crisp is an extraordinary figure, living his life fully according to his lights, and making people happier than they might otherwise have been. He is the Jules Goncourt of the rapid world through which he makes his charmed way. I hope, incidentally, that the BBC speaker eventually got in touch with him about the Edinburgh Jant. He would, of course, have accepted the invitation and had a whale of a time. Clinton's possible adventures must forever be unknown.

Clement Crisp

# One-sided relationship with history

Malcolm Rutherford discusses the controversial views of an eye witness and historian

Probably his greatest claim to fame is that he was the author of an article, signed X, in *Foreign Affairs* in 1947. It outlined the policy of containment, which said in essence that while the Soviet Union should be stood up to, its leaders did not want war. It was not an ideological threat.

Kennan has stuck to his line ever since and, to a large extent, has been justified. Yet in this book of essays and speeches, delivered between

1962-1995, it looks as if at times it has been a close run thing. One would not wish to accuse him of arrogance, but humility is not his strong point. Kennan comes near to saying that in matters Russian he was practically always right and other Americans were practically always wrong.

Take his categorical remark on the cold war, for example: "Nobody 'won' it. There is no need to gloat about what happened, yet it is hard to deny

that the US and Nato did stand up to Soviet weapons building to the point where they demonstrated a willingness to resist without a nuclear weapon being fired. This happened under the Reagan administration, for which Kennan has not one good word to say.

There are other peculiarities of judgment. Kennan writes that "the relating of military power to political purpose" has never been an American forte. True, the Americans have made mistakes, yet the experience of Nato over the years suggests that military power and political purpose went hand in hand rather well.

In the past Kennan would never have reamed West Ger-

many and would have kept Japan "permanently disarmed and politically neutralised". That might have seemed ideal at the time; there are doubts about how far it would have been practical. More recently, when the Berlin Wall was coming down, Kennan said that this was no reason for German unification and "not the time to raise that subject".

He has a strange record on human rights. No doubt he is in favour, at least where they

already exist. But they form no part of foreign policy. There was no case, he said in 1983, for pushing for greater democracy in the Soviet Union; the real task was to understand an ageing leadership in a country where democracy had never existed. A year or so later he attacked the Helsinki Agreement on European security for containing human rights clauses that could at best be described as "innocuous". Yet it was precisely the dissemination

of those clauses that spurred the calls for, and eventually the achievement of, democracy in eastern Europe. Kennan dislikes party politics on the grounds that they are a "luxury" and too partisan. He would like a body of senior statesmen, "qualified by training, experience and temperament" to advise governments on the things they must (and must not) do. If this sounds like a Platonic ideal, there is a streak of superiority in Kennan which is not always pleasant. Strange that, as a historian, he can sometimes write so well and perceptively. See, for instance, the essay comparing the Balkan Wars before 1914 to those of the 1990s.

Rereadings/Nigel Spivey

# Deep in the mud of the Mississippi

Old man river. He keeps on rolling. By the time he reaches New Orleans, the big Mississippi yields to the late-20th century, and lets himself be piled by purely touristic paddle-steamers. But go upstream beyond the plantation country of deeper Louisiana, and you still catch residual whiffs of Huck Finn's world. Shanty shacks, rattlesnakes, tobacco quids; convulsive prayer-meetings. Slavery may have gone, and the blood-heads faded, but this remains redneck territory, where the old timers still peddle nuggets of local wisdom.

Nostalgia for working steamboats apart, there is now a better reason for rereading Mark Twain's *Huckleberry Finn*. "The only comprehensive edition" has just been published by Bloomsbury (£16.99), and this contains parts of an original manuscript which have lain hidden for a century. I first read the book when in my early teens, so I suppose I was expecting to resurrect boyhood reveries of joining Huck's picaresque antidote to "civilization" – mucking about in skills, catching fish for breakfast, smoking under the stars. The new edition encourages such whimsicality

by printing the dinky vignettes from the 1884 publication. But those pictures make, as I now see, a false impression. *Huckleberry Finn* is not "Homeric", as critics like to declare; but it is a terribly serious story.

The extent of the seriousness struck me when I reached the latter chapters, where Twain reintroduces Huck's old friend from a previous book, Tom Sawyer. What a grating reappearance that is. Tom immediately imposes his sedulously juvenile sense of mischief upon the story. One reason why one rereads this is because it is playing around with a man's life – the fate of Huck's raft companion, Jim the runaway slave.

But it also jars because Huck has grown up. Since faking his own riverside death to escape a savagely drunken father, Huck

has seen it all. Brawls, lynch-mobs, tarring and featherings, and several murders and shootings. In between, he has been privy to a series of outrageous stings and swindles. And in lieu of his wretched father (whose corpse, it turns out, is one of those that trailed the journey), Huck has received affection from hardly anyone save a man whom he has been taught to despise – Jim.

Of course the comedy is still there, chiefly provided by the two con-men who board the raft, one claiming to be a king ("the late Dauphin"), the other the Duke of Bridgewater (thence "Bigwater" throughout). And one can see how Twain's ear for distinctly modulated Southern draws allowed him to exploit the rich comic possibilities simply embedded in vernacular expressions. But the newly-inserted passages of text – which Twain had abandoned for fear of disturbing too many readers – confirm my feeling on revisiting the book that there is far more indignation here than I realised.

Time and again Twain uses Huck as a register of the hypocrisy of the people who

live in what is still known as "the Bible belt". The king and the duke, with their "missionary" antics, dishing out "soulbutter and hogwash", are the most obvious vehicles of satire. But the text ripples with angry ironies, of which the greatest is that these gospel-studious folk for all their "brother" this and "sister" that, are practising gross breaches of Christian principles by relegating negroes to sub-human status. Here is Huck, telling a solicitous aunt that there has been an accident on the river: "Good gracious! Anybody hurt?"

"No, m'm. Killed a nigger." "Well, it's lucky; because sometimes people do get hurt." Which brings us to "the N word". Just as some librarians have banned Enid Blyton's work because it contains references to "golliwogs", so *Huckleberry Finn* has been censured for its ubiquitous idiomatic use of the word "nigger".

This seems as crass as political correctness ever gets. In my rereading of *Huckleberry Finn*, it is a powerful manifesto for equal rights. The "niggers" consistently act with loyalty



and sensibilities that put the whites to shame. And the hero of the story is Jim. Right from the start, with his willingness to do more than his stint as look-out on the raft, Jim is marked as virtually the only character in the story capable of pity, love, and moral wisdom. That his ultimate accolade from Huck is "I knowed he was white inside" is an oblique way for Twain to show that even a boy loaded with a Southern upbringing recognises Jim's nobility. But the politically correct librarians are perhaps half-right. *Huckleberry Finn* is not a book suitable for children. To reread it as an adult is to be fully aware of the truisms that one cannot step into the same river twice – least of all the urgent mudbath that is the Mississippi.

# Fiction/Antony Thornecroft

## Discreet lives

It is always a relief to escape from the in-your-face sensationalism of the contemporary novel into the meticulously controlled landscape of Anita Brookner, where fastidiousness is a virtue and the worst thing characters can lose is their self respect.

Nothing ever changes. Alan Sherwood, the hero, or rather victim, of Brookner's latest work, *Altered States*, is instantly recognisable from her earlier books. A loner, he lives in a north London mansion flat, enjoys walking through the park, eats and dresses discreetly, loves Paris, is conscious of the weather, respects his parents, and is born to suffer for his self-absorbed meticulousness. A Brookner hero is able to explain his conduct to the reader for page after dense page, but quite incapable of having a normal conversation with a wife or lover.

Sherwood has a grand passion for the unspeakably awful Sarah but somehow drifts into marriage with the childlike Angela. The results are the predictable mix of the tragic and the banal, and the reader is forced to listen to Sherwood's bitter self-recrimination as he endures an emotionally

bereft middle age. But feelings are kept under control; outward appearances are preserved; duty is done.

Why do we buy it, time after time? The writing has a melancholic languor which is quite enchanting. There is the hint of thunder in the wings giving a pleasurable thrill of menace, not least in the opening sequence where Alan thinks he

**ALTERED STATES**  
by Anita Brookner

Jonathan Cape £14.99, 220 pages

glimpses a middle-aged Sarah on a provincial Swiss railway station (a quintessential Brookner location). Such well-ordered lives by nice people have a nostalgic charm. The very ordinariness of the characters strikes a chord.

But it is the completeness of the Brookner world which makes it irresistible – occasionally and in small helpings. It is a tiny slice of north London bourgeois existence, but the skill with which Brookner evokes what is, admittedly, very much her own environment, is exquisite. *Altered States* may not win her many new admirers, but it will give her fans their usual fix.

## FT BOOKSHOP

To order any books reviewed on these pages from anywhere in the world please call +44 181 564 1251 or fax your credit card details to: +44 181 564 1254

Cheques (UK and Eurocheques only please) can be sent to: FT Bookshop, 29 Pall Mall, London W1A 3SL, UK. E-mail: bds@ft.co.uk

Airmail Postage Rates:	Europe	Rest of World
Hardback	£1.50	£7.50
Paperback	£1.50	£3.95

**NEW AUTHORS**  
PUBLISH YOUR WORK  
ALL SUBJECTS CONSIDERED  
Fiction, non-fiction, Biography, Poetry, Children's  
AUTHORS WORLD-WIDE INVITED  
WRITE OR SEND YOUR MANUSCRIPT TO  
**MINERVA PRESS**  
18 OLD BRIDGEWAY, LONDON SE1 1UR

Handwritten signature or text in a box.



## INTERNATIONAL ARTS GUIDE

## What's on in the principal cities

## ADELAIDE

**EXHIBITION**  
Art Gallery of South Australia Tel: 61-8-2077000  
● William Paley Collection of Post-Impressionism and Early Modernism: this exhibition of works from the Paley Collection of the Museum of Modern Art, New York, traces the development of modernism out of late Impressionism. Artists represented include Cézanne, Bonnard, Gauguin, Picasso, Manet, Matisse, Braque, Renoir and others; from Jul 5 to Aug 18

## AMSTERDAM

**CONCERT**  
Concertgebouw Tel: 31-20-5730573  
● Radio Filharmonisch Orkest: with conductor Hans Vonk and baritone Sergei Leiferkus perform works by Lyadov, Borodin, Rachmaninov, Verdi, Giordano, Wagner, Tchaikovsky and Mussorgsky. Concert celebrating the 50th anniversary of the Radio Filharmonisch Orkest; 8.15pm; Jul 4  
**EXHIBITION**  
Stedelijk Museum Tel: 31-20-5732911  
● John Chamberlain. Recent work on goederherinneringen: exhibition of sculptures and photographs created between 1987 and 1995 by the American artist John Chamberlain; to Jun 30

## BARCELONA

**EXHIBITION**  
Fundació Antoni Tàpies Tel: 34-3-4870315  
● Craigie Horsfield: exhibition of photographs by the British artist Craigie Horsfield, most of which were made in Barcelona on the occasion of this exhibition; to Jul 28

## BERLIN

**MUSICAL**  
Deutscher Oper Berlin Tel: 49-30-3438401  
● The Phantom of the Opera: by Kopit and Yeston (dialogue in German). Directed by Chuck Abott and Phil McKenley. The cast includes Matthew Shepard and Susan Pfau; 8pm; Jun 30

## BIRMINGHAM

**CONCERT**  
Symphony Hall Tel: 44-121-2002000  
● The Music of the City: Orchestra and full chorus with conductor Adrian Jackson, special guest host David Jacobs and celebrities from London's West End in a concert celebrating 50 years of Birmingham's musical milestones; 7.30pm; Jun 30

## BIRMINGHAM USA

**EXHIBITION**  
Birmingham Museum of Art Tel: 1-205-2542566  
● The First Emperor. Treasures from Ancient China: in 1874, farmers digging a well in China stumbled on the vast terracotta army that had been buried with the first emperor, Qin Shi Huangdi, 2,200 years ago. For the first time in the US, 14 of these life-size terracotta figures are on display. The show includes about 80 objects from the Qin dynasty (221-206 BC); from Jul 1 to Sep 1

## BOLOGNA

**EXHIBITION**  
Galleria d'Arte Moderna Tel: 39-51-502859  
● Sean Scully: solo exhibition featuring paintings executed during the last 15 years and a selection of pieces from the early 1980s documenting the latest vitality of Sean Scully's work; to Sep 1

## BONN

**OPERA**  
Oper der Stadt Bonn Tel: 49-228-7281  
● Die Fledermaus: by J. Strauss. Conducted by Baldo Podio and performed by the Oper Bonn. Soloists include Karlens, Hoffmann and Mohr; 7pm; Jun 30; Jul 3 (8pm)

## BOSTON

**EXHIBITION**  
Museum of Fine Arts Tel: 1-617-267-9300  
● Lithography's First Half Century: The Age of Goya and Delacroix in celebration of the 200th anniversary of the invention of lithography by Bavarian actor and playwright Alois Senefelder, the exhibition examines lithography by artists such as Delacroix and Goya. Works by lesser known artists and prominent artists not usually associated with the medium are also displayed; to Jul 7

## BRUSSELS

**EXHIBITION**  
Palais des Beaux-Arts Tel: 32-2-5078468  
● L'art en résistance. Peintres allemands de l'entre-deux-guerres: exhibition of works by German artists, created between the wars. The display includes some 200 paintings and drawings by artists such as Max Beckmann, Otto Dix and Georges Grosz, giving an overview of German art in this period. The works come from the collection of Marvin and Janet Fishman; to Sep 8  
**OPERA**  
Théâtre Royal de la Monnaie Tel: 32-2-2291200  
● Carmen: by Bizet. Conducted by Bernard de Billy and performed by the Symphony Orchestra and Choir of a Monnaie. Soloists include César



Ray Charles, performing at the Copenhagen Jazz Festival

Hernández, Graciela Araya, Mark S. Doss and Barbara Bonney; 8pm; Jun 30

## CAMBRIDGE

**EXHIBITION**  
Fitzwilliam Museum Tel: 44-1223-332900  
● Surimono by Hokusai and his pupils: exhibition of 'surimono' by the Japanese artist Hokusai and his pupils from the museum's collection. The word 'surimono' means literally 'printed matter' and was a term applied to prints of especially fine quality, with precious printing effects, which were privately issued in small numbers as New Year cards, invitations or to commemorate particular events; to Jun 30

## CHICAGO

**EXHIBITION**  
Terra Museum of American Art Tel: 1-312-884-3838  
● A Shared Heritage: Art by Four African Americans: this exhibition of 20th century African-American art features works by William Edouard Scott, John Wesley Hardrick, Hale Asplund Woodruff and William Majors. The exhibited works include 65 paintings, watercolours, drawings, collages and graphics; to Jul 7  
**MUSICAL**  
Shubert Theatre Tel: 1-312-877-1700  
● How to Succeed in Business Without Really Trying: created by Frank Loesser and Abe Burrows. Directed by Dee McNair. The cast includes Ralph Macchio; Tue-Thu 7.30pm, Fri, Sat 8pm, Sun 3pm, Wed, Sat also 2pm; to Sep 23 (Not Mon)

## COPENHAGEN

**EXHIBITION**  
The Royal Cast Collection Tel: 45-33 91 21 28  
● Inspiration in Plaster. Antiquity and the Danish Golden Age: in the heydays of the Danish Golden Age (1820-1850), the art of painting played an active role in the shaping of bourgeois values and norms. The new norms included a change in the view of the human body. The Royal Academy's collection of plaster casts of Greek and Roman nude statues was an important inspiration for the Golden Age artists. This exhibition focuses on the peculiar circumstance that the quasi-religious idealisation of the naked human body by a remote ancient culture could influence people's attitude to the naked body; to Aug 11  
**FESTIVAL**  
Copenhagen Jazz Festival Tel: 45-33-98 20 13  
● Copenhagen Jazz Festival: the festival, which always starts on the first Friday of July, began in 1979 following the Thyl Jazz Festival. Some 450 concerts by Danish and international jazz musicians will run all day in clubs and small cafés and around Copenhagen. Performances will range from New Orleans, swing and fusion to new and experimental jazz. Performers this year include Michael Petrucci (Jul 5), Ray Charles (Jul 6), the Svend Amussen Quartet (Jul 7), Niels Henningsen/Orsted Pedersen and the Jan Garbarek Quartet (Jul 8) and Wayne Shorter and the Horace Silver Septet (Jul 13). Coinciding with, but not as part of the festival the multinational jazz-concert with 30 young musicians from 25 nations will be held at the Holmen and the Thyl-lawn on July 5 and 6. These concerts are held in connection with the European Broadcasting Union's annual meeting for heads of jazz; from Jul 5 to Jul 14

## DETROIT

**EXHIBITION**  
The Detroit Institute of Arts Tel: 1-313-833-7983  
● Surrealist Vision and Technique: Drawings and Collages from the Pompidou Center and the Picasso Museum, Paris: this exhibition includes collages, automatic drawings, 'decalomania', and collective drawings by artists associated with surrealism in Paris during the 1920s and 1930s such as Max Ernst, Man Ray, André Masson, Pablo Picasso and Salvador Dalí; to Jul 7

## DUSSELDORF

**EXHIBITION**  
Kunstmuseum im Ehrenhof Tel: 49-211-9992460  
● Otto Pione - Retrospektive: retrospective exhibition devoted to the work of the German artist Otto Pione (b. 1928). The display gives an overview of the diverse aspects of his

work, in which the themes of light and fire play an important role. The show includes paintings, drawings, sculptures and infestables; to Aug 11

## FRANKFURT

**OPERA**  
Das TAT im Bockenheimer Depot Tel: 49-69-21237666  
● L'Histoire du Soldat: by Stravinsky. Conducted by Mathis Dückel and performed by the Oper Frankfurt. Soloists include Karin Romig, Gottfried Breitweis, Martin Lämmerhirt, Thomas Stache and Kalle Meuser; 8.30pm; Jun 29, 30; Jul 1, 3, 5, 6

## GENEVA

**EXHIBITION**  
Petit Palais-Musée d'Art Moderne Tel: 41-22-3481433  
● Les Neo-Impressionnistes: exhibition of some 70 works from the neo-impressionist collection of the Petit Palais. The display includes works by artists such as Albert Dubois-Pillet, Maximilien Luce, Charles Angrand, Van Rysselberghe, Van de Velde, A.J. Heymans, Henri Martin, Pietro Mangiarini, Signac, Gauguin, Laugé and H. Pottier; to Sep 30

## GLASGOW

**POP-MUSIC**  
Glasgow Royal Concert Hall Tel: 44-141-5526633  
● Dönitz: Dönitz: performed by the American singer; 7.30pm; Jul 5

## HOUSTON

**EXHIBITION**  
Museum of Fine Arts Tel: 1-713-638-7300  
● Jackson Pollock: Works on Paper: exhibition of 34 drawings created between 1939 and 1956 by Jackson Pollock; one of the leaders of abstract expressionism. All of the works come from the Pollock estate, and most are sketchbooks or working drawings that provide insight into Pollock's development in the 1940s. They were executed during the time he was in Jungian analysis and represent a visual diary of his dreams, insights, and visions; to Jun 30

## LONDON

**CONCERT**  
Royal Festival Hall Tel: 44-171-9504242  
● The Philharmonia Orchestra: with conductor Kurt Sanderling and pianist Alfred Brendel perform works by R. Schumann and Beethoven; 7.30pm; Jun 30  
Wembley Stadium, Arena and Conference Centre Tel: 44-181-9001234  
● The Three Tenors: José Carreras, Plácido Domingo and Luciano Pavarotti: accompanied by The Philharmonia Orchestra with conductor James Levine. Part of the World Tour of The Three Tenors; 7.30pm; Jul 6  
**EXHIBITION**  
British Museum Tel: 44-171-6361555  
● David Le Marchand (1674-1728) - An Ingenious Man for Carving in Ivory: exhibition of works by this French-born artist who settled in Edinburgh in 1698. Among the distinguished patrons who flocked to him for portrait busts and cameos were royalty - Queen Anne and King George I - aristocrats such as the Duke of Marlborough, politicians and intellectuals like Sir Isaac Newton; to Sep 15  
Tate Gallery Tel: 44-171-8878000  
● Marlene Dumas: exhibition of works by the Dutch artist structured around three main themes: The Absent Lover, The Perfect Lover and The Daughter. The display includes large multi-part drawings of the heads that are also a central feature of many of Dumas' paintings. These ink and wash works are hybrids: They integrate people the artist knows with images drawn from elsewhere and are thus not portraits in the conventional sense. On the contrary, they should be viewed as picturing states of mind or being; to Jun 30  
Victoria & Albert Museum Tel: 44-171-8989500  
● Leighton Centenary Celebrations: exhibition on the occasion of the centenary of the death of Frederic, Lord Leighton (1830-1896). The centrepiece will be the newly restored frescoes The Arts of Industry Applied to War and The Arts of Industry Applied to Peace. These works are among the most important public commissions of the Victorian era; to Sep 8

## JAZZ &amp; BLUES

**Royal Albert Hall Tel:** 44-171-5898212  
● BB King: and special guests. Part of the JVC Capital Radio Jazz, Funk and Soul Festival; 8pm; Jun 30

## LOS ANGELES

**EXHIBITION**  
MOCA at California Plaza Tel: 1-213-626-6222  
● Kenholz: A Retrospective: this exhibition presents the full range of Kenholz's own work and his 20 years of collaboration with his wife and partner, Nancy Reddin Kenholz. More than 100 pieces, ranging from intimate objects to house-scale environments, are displayed; from Jun 30 to Nov 3  
The J. Paul Getty Museum Tel: 1-310-463-7611  
● 19th Century French Drawings: exhibition of 25 drawings by 18th century French masters from the museum's collection, with examples from neo-classicism through post-Impressionism, including works by Cézanne, Delacroix, Gercault, Ingres, Millet, Manet and Degas; to Aug 25

## MADRID

**EXHIBITION**  
Fundación Colección Thyssen-Bornemisza Tel: 34-1-4203944  
● From Casanovi to Kandinsky: Master Pieces from the Thyssen-Bornemisza Collection: this exhibition features a selection of about 90 works from the Baroness's private collection. The display includes works by artists such as Toulouse-Lautrec, Monet, Sisley, William Bradford, Maurice Prendergast, Manuel Cabral and Raimundo de Madrazo; to Sep 8  
Fundación La Caixa Tel: 34-1-4354833  
● El grupo CoBrA en la colección del Stedelijk Museum de Amsterdam: exhibition of some 80 paintings and sculptures by members of the CoBrA artist group. The works come from the collection of the Stedelijk Museum in Amsterdam; to Jun 30

## MOSCOW

**EXHIBITION**  
State Pushkin Museum Tel: 7-095-2036974  
● The Treasure of Troy: exhibition of 280 gold and silver objects, excavated by the German archaeologist Heinrich Schliemann in Turkey in 1873. It was Schliemann's belief that these objects, including diadems, rings, necklaces and goblets, once belonged to the Trojan king Priamos, but later research has proved this to be untrue. The finds were brought from Berlin to Russia by the Red Army at the end of the second world war; to Apr 1997

## MUNICH

**CONCERT**  
Philharmonie im Gasteig Tel: 49-89-4809625  
● Die Bassariden: by Henze. Concert performance conducted by Gerd Albrecht and performed by the Münchner Philharmoniker. Soloists include Celina Lidsley and Cornelia Wulke; 8pm; Jul 1, 2, 3, 5

## NANTES

**EXHIBITION**  
Musée des Beaux-Arts de Nantes Tel: 33-40 47 65 65  
● Henry Moore - L'Expression primitive, dessins, plaques et terre cuite: retrospective exhibition devoted to the British sculptor Henry Moore (1898-1986). The display features 120 works created between 1921 and 1982, including 40 drawings and 80 sculptures. After the showing in Nantes the exhibition will travel to Mannheim; to Sep 2

## NEW YORK

**EXHIBITION**  
The Metropolitan Museum of Art Tel: 1-212-879-5500  
● Winslow Homer: retrospective exhibition featuring about 180 paintings, watercolours and drawings by the 19th century American painter. The display, giving an overview of Homer's work in more than 20 years, is organised chronologically in thematic groupings that include depictions of the Civil War, genre scenes celebrating rural America in the 1870s, heroic images of seafaring life, seascapes of Proust's Neck, Maine, where the artist settled in 1883, and the tragic painting from his final years; to Sep 22  
The Pierpont Morgan Library Tel: 1-212-685-0008  
● Being William Morris: A Centenary Exhibition: exhibition seeking to show a picture of William Morris in his various manifestations and careers: poet, novelist, illustrator and collector, among others; to Sep 1

## ORANGE

**FESTIVAL**  
Chorégies d'Orange Tel: 33-90 34 24 24  
● Chorégies d'Orange: annual open-air summer opera festival in the Provence, founded in 1971 by Jacques Bourgeois and Jean Darnel. Performances are given at the Roman amphitheatre, which can seat some 18,000 people. This year's highlights include Mozart's Don Giovanni, featuring Kathleen Cassello, Ruggero Raimondi, Ferruccio Furlanetto and Bruce Ford, and Verdi's La Forza del Destino, with Michele Cordero, Keith Olsen, Paolo Coni and Roberto Scanduzzi; from Jul 6 to Aug 2

## OTTAWA

**EXHIBITION**  
National Gallery of Canada Tel: 1-613-990-1985  
● Corot: major retrospective featuring some 135 works by the French 19th century landscape painter Jean Baptiste Corot and

commemorating his birth in 1796. The exhibition is organised by the Musée du Louvre, the National Gallery of Canada and the Metropolitan Museum of Art; to Sep 22

## PARIS

**EXHIBITION**  
Centre Georges Pompidou Tel: 33-1-44 78 12 33  
● Francis Bacon: exhibition showing 90 works that were created between 1930 and 1990; from Jul 4 to Oct 21  
Musée du Petit Palais Tel: 33-1 42 65 12 73  
● Albrecht Dürer. Oeuvre gravé: exhibition of woodcuts and engravings by Albrecht Dürer (1471-1528) from the museum's collection, which encompasses nearly all of Dürer's graphic oeuvre. The display includes 122 woodcuts and 102 engravings; to Jul 21  
**OPERA**  
Théâtre du Châtelet Tel: 33-1 42 33 00 00  
● Jenufa: by Janáček. Conducted by Sir Simon Rattle and performed by the Opéra du Châtelet. Soloists include Gustafson, Philip Langridge, Graham Clark and Josephine Barstow; 7.30pm; Jul 1

## ROME

**FESTIVAL**  
Teatro dell'Opera di Roma Tel: 39-6-481601  
● Festival dell'Opera di Roma: annual open air festival held at the ruins of the Roman baths of Caracalla. This year's edition features performances of La Bohème, Roméo et Juliette and Andrea Chénier; from Jul 4 to Aug 14

## SAN FRANCISCO

**CONCERT**  
Louise M. Davies Symphony Hall Tel: 1-415-364-6000  
● An American Festival: American Voices: a celebration of the American vocal and vocal tradition, with music by Foster, Ives, Gershwin, Ellington, Berlin, Barber, Randall Thompson and William Grant Still. Michael Tilson Thomas conducts the San Francisco Symphony; 8pm; Jun 28, 29  
**EXHIBITION**  
M.H. De Young Memorial Museum Tel: 1-415-775-1800  
● Fabergé in America: touring exhibition comprising about 400 objects created by the workshop of the Russian jeweller and entrepreneur Peter Carl Fabergé (1846-1920), drawn from American collections. Included are 15 of the 44 elegant Easter eggs commissioned by the last Russian tsars, jewellery, and hundreds of the unique objects d'art that helped establish the reputation of the House of Fabergé; to Jul 28

## SYDNEY

**CONCERT**  
Concert Hall Tel: 61-2-250-7111  
● Sydney Symphony Orchestra: with conductor Edo de Waart and cellist Ralph Kirshbaum perform works by Schütz, Elgar and Stravinsky; 8pm; Jul 3, 4, 6  
**EXHIBITION**  
Art Gallery of New South Wales Tel: 61-2-2251700  
● Kandinsky and the Russian Avant Garde: major exhibition charting the rise and fall of modernism in Russia. The display includes works by artists such as Kandinsky, Malevich, Rodchenko, Goncharova and Popova. Many of the works have rarely been seen before since they are drawn from museums throughout the former Soviet Union. In many cases they were hidden from view because Russia's adventure with modern art was despised and banned by later Soviet ideologues; to Aug 18

## TEL AVIV

**OPERA**  
The Opera House Tel: 972-3-827777  
● The Bartered Bride: by Smetana. Conducted by Mark Elder and performed by the Israeli Opera. Soloists include Valentin Prolet, Marina Levitt and Vladimir Braun; 8pm; Jul 1, 3

## VIENNA

**OPERA**  
Theater an der Wien Tel: 43-1-58830237  
● Così fan tutte: by Mozart. Conducted by Riccardo Muti and performed by the Wiener Staatsoper. Soloists include Barbara Frittolli, Angelika Kirchschlager, Soja Skovhus and Michael Schade. Part of the Wiener Festwochen; 7pm; Jun 30

## WASHINGTON

**EXHIBITION**  
Corcoran Gallery of Art Tel: 1-202-638-3211  
● Thomas Eakins and 'The Swimming Picture': featuring Thomas Eakins' 1885 painting 'Swimming' (formerly known as 'The Swimming Hole'), this exhibition investigates the artist's creative process with preliminary paintings, drawings and photographs; to Sep 8  
National Gallery of Art Tel: 1-202-7374215  
● Jan Steen: Painter and Storyteller: this exhibition of about 45 paintings by Jan Steen examines the range of subjects and styles in this Dutch artist's body of work. There has been no important exhibition of Steen's work since the retrospective at the Mauritshuis in The Hague in 1958; to Aug 18  
● Thomas Eakins: The Rowing Pictures: the rowing pictures of the American realist painter Thomas Eakins (1844-1916), universally regarded among the masterpieces of American art, are the focus of this exhibition; to Sep 29

Listing compiled and supplied by ArtBase The International Arts Database, Amsterdam, The Netherlands. Copyright 1996. All rights reserved. Tel: 31 20 684 6441.

## CHESS

There is a large gulf between specialist chess books and the average club or social player, while many primers for novices contain little advice on competition games.

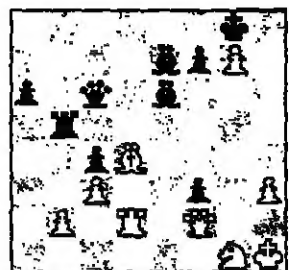
Tony Kosten, a UK grandmaster, bridges the gap to provide guidance for the casual player who wants to improve in 101 Tips to Improve Your Chess (Batsford, £9.99). His user-friendly layout has one maxim per page, illustrated by three diagrams of which the first is often a simple example, the others more complex.

Some of the hints are well-worn, such as making pawn captures towards the centre and keeping your back row safeguarded. But Kosten also covers more sophisticated concepts, and strong players can learn from his explanations of why and how rook and bishop are generally superior to rook and knight, while queen and knight function better together than queen and bishop.

He is particularly good on individual pieces, for instance quoting Boris Spassky's discovery that knights are paradoxically weakest when they defend each other, because they are duplicating each other's actions. There are also sensible suggestions for approaching stronger and weaker opponents, and for playing inferior or lost positions.

Nigel Short takes on all-comers on Monday (10am-3pm) at the Eastwold Gallery, 6 Cork Street, London W1, as part of the Marcel Duchamp exhibition. Tickets (£5) to play him can be pre-booked on 0171-734 6440 or bought at the gallery.

No 1,134



Dr Muller v Klaus Junge, Leipzig 1992. A classic case of seeing one move further than the opponent. Black (to play) can make an obvious sacrifice; does it work?

Solution Page 17

Leonard Barden

## BRIDGE

For Alcatel, the communications giant, to sponsor a worldwide bridge competition is apt, for this game is all about communication, from subtle defensive signalling and complex bidding sequences, to vociferous indignation aimed at partner's expense.

This deal shows that tampering with your opponents' communications is a vital tactic. You sit North, everyone vulnerable, with two passes to you. What, if anything, will you bid?

N  
♠ 10 4  
♥ 5 7  
♦ A K Q 8 4 3  
♣ 7 5  
W  
♠ K 6 5  
♥ K J 3  
♦ 6 5  
♣ A 10 8 6  
E  
♠ Q 2  
♥ A Q 10 8 6  
♦ 7  
♣ K Q 4 3  
S  
♠ A 9 7  
♥ 5 4 3  
♦ J 10 9 2  
♣ J 9 2

Your partner has passed, so the opposition have a part-score or game. You must make it tough for them. The normal

choice between 1D and 3D is unappealing. The former is not disruptive, the latter maybe too risky at this vulnerability, although 8-card pre-empt is common in this position.

Rejecting both, I tried INT. It is a mild pre-empt, and it should cause an opposing declarer to misplace the outstanding cards - he will play me for Queens and Jacks, losing finesse into my partner's hand. A 3D pre-empt signposts my long suit and no outside values. Finally, INT is safe. If doubled, I might retreat to 2D. If partner bids, my hand will not be too disappointing.

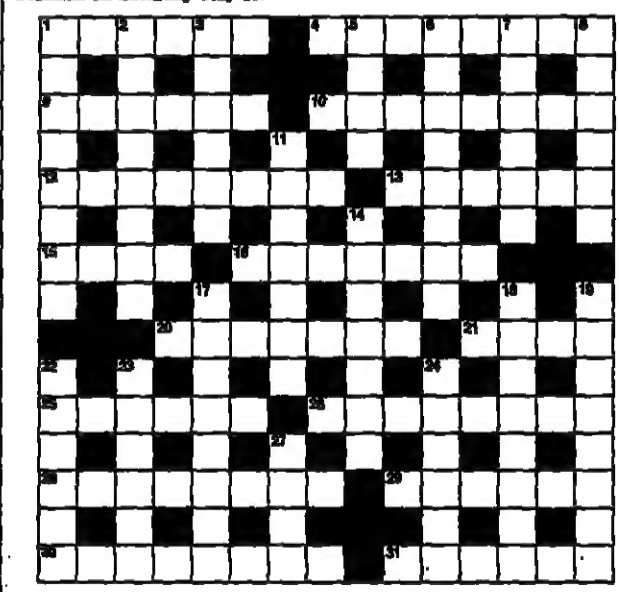
The result was as hoped: 4H was making easily. Our opponents bid 2H, considered more, but eventually passed. Omar Sharif, commenting in the book of hands, mentions all the diamond openings, but concludes that East-West should still bid game. 1D, 2D and 3D are all gentlemanly gambits, and INT is shy. But the auction is a battleground, and it is time to fight dirty.

Paul Mendelson

## CROSSWORD

No. 9,107 Set by CINEPHILE

A prize of a classic Telos Sovereign 300 fountain pen for the first correct solution opened and five runner-up prizes of £26 Politan vouchers. Solutions by Wednesday July 10, marked Crossword 9,107 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 8HL. Solution on Saturday July 13.



Across  
1 I forgot to mention charity in the bible (6)  
4 Indulged in parody about Poles being spoilt (8-5)  
9 18 Golden river, gold with a steel wave on the left is ... (8,8)  
12, 13 ... heavenly show, and put ... the sailor's lungs (6,6)  
15 It's pleasant on the Riviera (4)  
16 Singing characters representing ... (7)  
20 Quarrel about publicity for tool (7)  
21 Guess for stones (4)  
25 Fall asleep, possibly (6)  
26 Jolly good fellow, rye drunk, ... (8)  
28 A bicycle made for one? (8)  
29 Shrub at both ends on a meadow (6)  
30 One of two in a small hole: don't smoke with it (4,4)  
31 Necessarily result in the safeguarding of family property (6)

Down  
1 Making careful preparations, with permission (6)  
2 Publicize jolly good fellow on ventilator (6)  
3 Wet and low-lying, which will spoil one's view (6)  
5 Support used in theatre (4)  
6 Unilateral, which isn't fair (6)  
7 Almost complete solver's disarming (6)  
8 Stay in the Hebrides is tempting (6)  
10 Simply expert to refer to (7)  
14 Single girl has pottery - and she doesn't know (7)  
17 Annoyed with acknowledgment of old weapon (6)  
18 Shrub causing beast of burden to be ill on return (6)  
19 Co-operate with drama and dance (4,4)  
22 Storm centre - acute storm first, then quiet (6)  
23 Fish or bird with cutter (6)  
24 She fought with the stream (6)  
27 Picture on screen of church or computer (4)

Solution 9,106

Solution 9,095

ACROSS  
1 U B A D A P  
4 M A R K E T  
9 G O L D  
12 S H O W  
13 S H O W  
15 R I V I E R  
16 S I N G E R  
20 T O O L  
21 S T O N E  
25 S L E E P  
26 D R U N K  
28 B I C Y C L E  
29 S H R U B  
30 H O L E  
31 P R O T E C T I O N  
DOWN  
1 P R E P A R E  
2 P U B L I C I Z E  
3 W E T  
5 S U P P O R T  
6 U N I L A T E R A L  
7 A L M O S T  
8 H E B R I D E S  
10 E X P E R T  
14 P O T T E R Y  
17 A C K N O W L E D G E M E N T  
18 B E A S T  
19 C O O P E R A T E  
22 S T O R M  
23 F I S H  
24 F I G H T  
27 P I C T U R E

WINNERS 9,095: T.A. Vetch, Cranbrook, Kent; M. Pigott, Richmond; H. Lawson, Edinburgh; Sally Fullerton, London W12; Bernard Cline, Carlisle; D.B. Jones, Altrincham





James Morgan

## The media put their foot in it

The week Jean-Marie Le Pen unhinged his mind and the Germans worried about the Queen's subjects

Racism, xenophobia, aggression and madness were the themes of the week, thanks to those twin pillars of European solidarity and comradeship - football and a summit. Surprisingly though, the *Frankfurter Allgemeine Zeitung* was the only paper I saw which made explicit the link between last week-end's summit, the associated bovine question, and the parallel Euro-football championship.

It was almost a good read: "When our brave heroes score goals, the pure political pragmatism of governments and their genuine search for consensus and compromise are the losers. Is it only an accident that the British, in the Anglo-Saxon tradition of self-righteousness, have

now unleashed a kind of limited war against the Continentals? When the whistle blew for the kick-off on the island, the game had nothing to do with partnership, mutual respect or even fair play. It sounded like old times: Britain against Europe."

The *FAZ* wrote of mad cows and such like, and said there had been no debate between gentlemen. "Just in order to gain points with Eurosceptics, [the British leaders] Major and Riddick tried to unleash a noisy war. They accepted that ancient enmities would be evoked in British public life eventually to emerge on the football field."

Then the *Daily Mirror* produced its now notorious front page, "Ach-tung Surrender", and *The Sun*

called for a "Fritz Blitz" to trail the Anglo-German football semi-final. The *Mirror* was thought to have gone beyond the bounds of decency, although it said little different from much of what had gone before.

Editorials and columnists in most of the press had spent weeks inflaming emotions that scarcely conform to the national ideals of tolerance, pliancy and decency - not that these today are the first images that leap to Johnny Foreigner's mind when the word "British" is uttered.

In France, meanwhile, the leader of the National Front, Jean-Marie Le Pen, unhinged his mind, too, and stated that members of the French football team were not

patriotic because they didn't sing the "Marseillaise", and they weren't French anyway. It was "unnatural to get players from abroad and baptise them as the French team". All this just after the team had qualified for the semi-final.

It seems that many French national footballers come from distant lands but the row which ensued put Le Pen on the defensive: were not the overseas territories part of France? France-Sor wondered if Le Pen really wanted immigrants to be integrated into French society: "He prefers them to be illegal, drug dealers and assassins."

As the tide of lunacy was turned in France, the papers in Britain started attacking the "wave of

xenophobia" in which they themselves had participated in the weeks of beef and soccer. By this time, however, the damage had been done.

The neutral *Neue Zürcher Zeitung*, in its report on England's fortunate victory over Spain last week, set out "to illustrate the struggles of the English media for historical comparisons based on military terminology and chauvinism". It wrote of the sinking of the new "Armada" which had plunged England into new fantasies. And that became its headline: "England swims in fantasy".

Eventually the German papers were goaded into reply by the *Achtung und Blitz Fritz* front pages: "God save the Queen from her own

subjects," wrote the *Express* from Cologne, arguing that events in England were proof that humans could catch mad cow disease.

If, as has been suggested in this newspaper, European governments regard any serious dealings with the British government as a waste of time, and if their peoples see the British as damaged, that is cause for regret. Next week we shall ponder the sad fact that Britain is unable to exploit the favourable position which it enjoys today as the Franco-German partnership tries to confront the failure of its shared economic and social model. They should want to hear us but they won't listen.

James Morgan is BBC World Service economics correspondent.

Peter Aspdon

## For humour read irony



What makes something funny? It is a tough question to answer right now. Tabloid newspapers have taken advantage of a sporting occasion to make a series of jokes about the second world war, in which 50m people died. Offensive, xenophobic, likely to incite (as debated by my colleague James Morgan)? Or just a bit of a laugh?

The Sex Pistols are in the middle of their "Filthy Lucre" re-union tour. Their sole, self-confessed aim is to take people's money. Nothing more, nothing less. But they sing of anarchy and abortions, despair and destruction, and other grim matters wholly unconnected to the red-blooded capitalism to which they have converted. Tasteless? Hypocritical? Or just some harmless fun?

There is a received wisdom which says that humour has to hit targets to be truly effective. That scabrous comedian of post-war America, Lenny Bruce, used his act to launch poisonous attacks on conventional bourgeois morality. Bruce, working in a satirical tradition which stretches back to Aristophanes, made inflated claims for the role of the humorist - "today's comic is not doing an act, the audience assumes he's telling the truth" - but the subjects of his attacks flinched. Bruce met a sticky end; but so did conventional bourgeois morality.

On the other hand, there is the view that the very best humour does not, indeed should not, offend; its appeal lies in timeless values which are universally shared. Nobody can find complaint in Charlie Chaplin. A pratfall is a pratfall, from Perlman to Polynesia.

In politics, culture and advertising, the sharp quip rules. But it is, of course, a cop-out

Why, the argument runs, is Mickey Mouse so popular? Here is a character that is not humorous, not controversial, in fact not interesting in any way at all. He has a tedious girlfriend who speaks unbearable banalities in high-pitched hysterics, and a sleepy, stupid dog. What exactly is so funny? Compare him with Bugs Bunny, full of mischief and malice, or Donald Duck, caught between troublesome nephews and an avaricious uncle, and Mickey seems unbearably bland. There is no basic comic premise to his life at all, no existential intrigue. Yet who remains the most popular, recognisable figure in the whole world?

The key to humour lies somewhere between Bruce's barbs and the meaningless mouse. It chooses mostly to drift in a safe refuge of child-like innocence; but occasionally it touches on a nerve which causes the body politic to recoil. Rarely does humour confront an issue outright, but in its invidious poking it has a unique ability to cause us to think again.

Thus was the case with those trigger-happy tabloids. The editor of the *Daily Mirror* was forced to apologise to his readers after his rabid references to the war were found to cause offence. In going a step too far, he forced a re-evaluation of boundaries. Where is the line between justifiable patriotism and odious jingoism? It is an important, urgent question, and probably better debated on the front pages of popular newspapers than in a dozy afternoon in the House of Lords.

The Sex Pistols and their gleeful irony is another matter altogether. It is typical of a world which cannot quite make up its mind about certain values, and chooses to play hide-and-seek with them. Commercial exploitation is one of these: the audience knows that the Sex Pistols re-union is a matter of hard cash, and musically unimportant. But the group knows that the audience knows... and so on. All have a good time playing the game, at once elusive and allusive, and humour serves to mask our profound ambivalence on the issue in hand. Show me an ironic stance, and I will show you a confused world.

But that is what we are stuck with. Ironic humour dominates so much of public discourse now that it is being taken as the norm. In politics, in art and culture, most notably in advertising, the sharp quip rules. Unburdened by earnestness, capable of several meanings at once, fashionably vague. But it is, of course, a cop-out.

Only this week, the Independent Television Commission found that most children displayed a "higher level of advertising literacy" than adults. They are at home with the ironic twists, unfazed by hidden messages, comfortable with double meanings. They like things to be funny. But I do worry about what they will say when they need to be serious.

Private View

## Three tenors and a phenomenon

Christian Tyler meets an expert on the 'winner-take-all' market economy

Today sees the start in Tokyo of a world tour by three middle-aged singers, a travelling cartel known as The Three Tenors and composed of Luciano Pavarotti, Placido Domingo and José Carreras.

The three tenors will sing together not just to make music (actually, their voices don't match too well) or to make money (a reported \$15m each) but to confirm their status as global winners in the "popera" market.

They are only doing what film stars, supermodels, pop singers, tennis aces and football heroes have done for years, which is to command stratospheric fees and royalties for often only marginal superiority over other performers - and sometimes not even that.

So what's new? What's new, according to Robert Frank, a professor of economics at Cornell University, is that the three-tenor phenomenon is spreading rapidly through the professions.

What he loosely calls "winner-take-all markets" are emerging not only for company chief executives, bond traders and takeover specialists but also for novelists, doctors, lawyers, consultants, journalists - even university professors.

Frank brings a Darwinian tinge to his analysis. Human competition for money rewards, he said, is becoming "precisely analogous" to animal competition for sex. This is true even when put in mathematical terms.

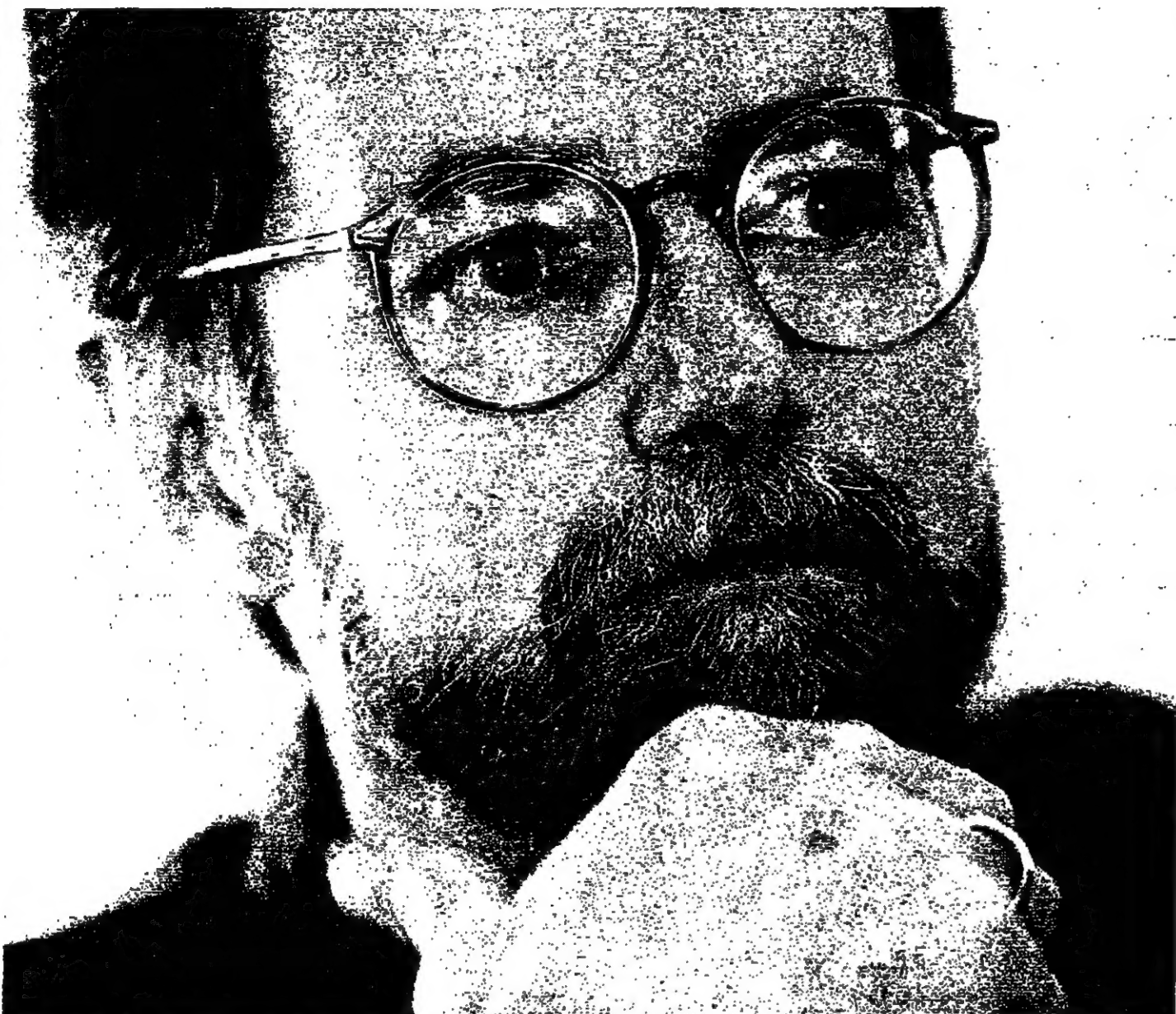
In the animal kingdom there are plenty of males to compete for the females; yet often a mere handful succeed in string most of the offspring. Just as the elk grows antlers 12ft wide to win his battles for sex, so the Olympic sprinter beats up on steroids in the hope of getting a 10th of a second ahead of his rivals.

"If a pack of dogs chases the elk with the 12ft antlers he'll get stuck in the trees and he's a dead duck," said Frank. "If he had narrower antlers he would escape. But what does that matter if he wasn't going to mate anyway?"

The professor's simile conjured up a picture of panting businessmen locking horns to win the blondest bimbo. Frank, who is interested in questions of status, did nothing to dissipate it. "There's no question that the drive for high rank is closely linked to sexual success," he said. "After all, most human societies have been polygamous."

Frank regards himself as a micro-economist who is also a social theorist. He counts himself a pioneer of a movement known as "behavioural economics" or "socio-economics". In his latest book, *The Winner-Take-All Society*, written with Philip Cook, professor of public policy at Duke University, he tries to show that some of the assumptions of classical economics about goals and rewards are no longer adequate. And he has a prescription.

Are the three tenors being paid too much, I asked him when we met before a recent talk he gave at the London School of Economics. "No. The record companies are not paying them too much. They're being paid a perfectly reasonable price. You need to pay the market rate to hire the talent. Because of the winner-take-all



Robert Frank: 'If all the top talents were paid less they would still be willing to sing the songs'

effect, the market rate turns out to be enormous. But that's just the going rate."

Is the going rate, in some sense, too big?

"Well, what is true is that if all the top talents were paid less they would still be willing to sing the songs."

As things are, he said, it makes good sense for troubled companies to pay multi-million dollar salaries to managers who are famous for being able to turn them round.

So it's not just a combination of greed and licence? "That's a complete misreading of what's going on - though, of course, you can find some examples where chief executives have packed the board."

Is his high pay part of a CEO's marketability?

"Sure. Nothing succeeds like success. And that's one of the troubling aspects of these markets. We prefer inequality to be the result of hard work, not due to luck."

Frank is a serious man with a beard who votes Democrat but calls himself right of centre. "I think

incentives are critically important," he explained. "Many Democrats seem not to understand that."

His criticism of the three-tenor phenomenon is not that it is wrong, indecent, or unfair but that it is wasteful.

Because Pavarotti and Co are destroying the audience for the local tenor?

"No, I'm not saying that. To a certain extent we don't need the local tenor any longer. The local tenor has no business recording on compact disc when we've got much better for the same cost."

But they are destroying the market in live tenors? "That's true. If people prefer to listen to the best on a CD than the 100th best in a live concert hall, they should be free to make that judgment."

You have written that it is degrading culture.

"I didn't have the market for tenors in mind. I had more in mind the market for books and movies."

Would you attach some economic value to the loss of variety we feel?

"Sure. To the extent that we feel

a loss, there is a loss."

The celebrity market is wasteful, says Frank, because it encourages overcrowding: thousands of hopefuls with exaggerated ideas of their chances move in, attracted by the enormous rewards. (He quotes a study which shows that 80 per cent of motorists regard themselves as

... the drive for high rank is closely linked to sexual success

better-than-average drivers.)

Why doesn't the extra supply bring down the price of tenors?

"It's not worth it for the record company to bid for one of the others if, say, Pavarotti has established himself as the leading tenor. At some point he's the leading tenor because he's the leading tenor, not

because he has the best voice. People want to see famous people."

So long as there is this army of tenors in futile competition for top slots, we're going to be wasting what those people could have produced?

But they will all be singing, making nice sounds...

"No, they'll spend years practising and going for auditions and going home disappointed."

You say they shouldn't have gone in for singing in the first place?

"It wouldn't be my role to micro-manage them. But if the reason that top salaries were a little less bright then fewer would choose to go in, and that would be good."

They would go off to do socially useful things like teaching or engineering, he added.

Frank wants to discourage what he calls "wasteful positional investments", such as the competitive auctions in the City and Wall Street for high-flying traders or the poaching of established teams which may secure only fractional advantages over competitors.

His answer is a steeply progres-

sive tax on expenditure - what might be called a conspicuous consumption tax. It would not be raised like VAT or purchase tax, on goods, but levied on the difference between people's total annual income and their savings, with a starting point of, say, \$20,000.

That might be desirable on other grounds, I objected, but wasn't it a sledgehammer to crack a nut?

He said the widening of wage differentials between top and median earners is accelerating so fast that the economic inefficiencies are "potentially vast". Technology is creating winner-take-all markets of global dimensions.

A consumption tax, he said, would encourage the very wealthy to buy smaller houses and cars. "If everybody cuts back then no one suffers any social embarrassment. You possibly even have an increase in satisfaction." He observed that in London the well-off are content to drive around in BMWs with 1.8 litre engines. "In the United States, the smallest they import in the Five series is 2.8 litre."

Not only would there be a saving in materials and energy, he argues, but a greatly increased pool of savings available for investment.

There are many things we have too much of. Not only would it not hurt to tax them, we'd actually do better. Taxing consumption is like taxing pollution, or road congestion. Many people would like to redistribute in the name of equity but are discouraged by the fear it will stifle economic growth. I'm encouraged to do it, because I believe it will increase economic growth."

Some economists think Frank and Cook have taken a good idea and pushed it too far. But their book has sold 20,000 copies in the US. The authors have also had the chance to explain their ideas to President Clinton and Democrat senators.

Frank admits he is still regarded as a maverick "though not nearly so much as 15 years ago when I first began doing this work. Cook and I are hard to pigeonhole. We are quite rigorous. We believe in things like market-clearing, but our formulation of the objectives and constraints is different."

"People's goals are not as narrow as usually thought. They are not ruthlessly selfish. They will leave things when they are out of town and pull people out of burning automobiles."

You say these things can be incorporated in standard economics?

"It has been shown that those who study economics in the self-interest vein behave more self-interestedly than others. People who have studied economics for a long time are more likely to give no money to private charities, for example. They are more opportunistic."

How would your behaviour change if you proved to be a winner in the market for pop economics?

Frank saw no irony in the question. "Well, that's not really a risk," he said. "I think serious books like this don't ever break out into that next level of celebrity attention."

He laughed.

You're not hoping for that to happen?

"I think it would be better if it didn't happen."

Andrew Clark, Page XV

very drunk. They pushed their way roughly through crowds towards the dancers, shouting obscenities. "And this is Britain!" I heard a woman behind me exclaim. The simulated terror of drama is a world away from the real terror of violence. I held my breath.

A young policeman in front turned and saw them. He stood still. Then he nodded to them and pointed back the way they had come, leaving a channel through the crowd in their wake. "That way, ladies," he said quietly. They halted in a clump, muttering. One of the drunks lurched towards him, but the others grabbed his arms and they set off back to the pub, stamping and shouting.

Fausts took a bow. Mephistopheles grinned, looking down on us. We all cheered. As we walked home under the floodlit spire, I thought, cardboard devils are a lot less worrying than real ones. I do hope John Major knows that.

Then, out of the pub on the far side of the square, came a group of youths. Heads shaved to an ugly bristle, heavy boots stamping on the flagstones, Union Jacks on their T-shirts, swastikas tattooed on their arms. Two of them were

going on here," he remarked with a grin, "but I was born here, and once in a while I think the streets of the town belong to its people, not to the cars." I shook his hand. I could have hugged him.

In the square, the sinister dance was reaching its climax. Fireworks exploded overhead with a deafening commotion. The Devil was coming for Fausts. With yells and shrieks, he twirled and pruned, faster and faster.

Then, out of a pub on the far side of the square, came a group of youths. Heads shaved to an ugly bristle, heavy boots stamping on the flagstones, Union Jacks on their T-shirts, swastikas tattooed on their arms. Two of them were

surged after them, laughing and pointing, as the menacing figures threaded their way through the throng with glaring eyes and wicked, laughing teeth.

The story line - so the hand-out said - was Fausts selling his soul to the Devil in exchange for all the pleasures of life. He danced and drank and simulated frenzied orgies while he and his attendant demons drifted on green and orange smoke into the market square. Huge traffic blocks formed at road junctions along the route. A resigned and cheerful inspector of police, with orders to keep the traffic flowing, pushed his cap back and scratched his head.

"Can't say I know just what's

Mephistomania has hit the town. The citizenry are still mildly stunned as if they had been visited by Martians. It began on the west lawn of The Close. A slightly bemused crowd had assembled, drawn together by a rumour that a "happening" was to be expected.

The forecast rain stayed away. The sky was duck egg blue with a couple of inquisitive planets dangling overhead. The audience from the opening concert of the festival came streaming out of the cathedral into the dusk to find themselves drawn into a different dimension of space/time.

As if from nowhere, a series of astonishing figures floated across the grass. They were dressed in wide brocade crinolines in shades of orange, viridian and scarlet, their faces painted like Japanese masks and topped by tall mandarin hats, all drifting miraculously off

or 8ft above the heads of the startled townsfolk.

Striding on long slender stilts like exotic ostriches with 10ft balancing poles or lances, they twisted and twirled through the crowds.

Early music - Salvador Dali for the ears - followed them on an electric chariot draped in psychedelic fabrics. They began to sing and dance. Magnesium flares blazed round them. Fountains of purple, black and orange smoke gusted upwards.

They called to one another, shrieking in French, cracked English and fractured Spanish - even Latin. Yes, they were Europeans. Their taunts and cackles amplified by hidden speakers ech-

## The Devil comes to town

Hugh Dickinson welcomes you to a nightmare in The Close

ed off the cathedral. The floodlights threw huge and menacing shadows on its walls.

The effect was spellbinding. Children cried out in delight and terror. "We're surely going to have nightmares tonight, folks," said a burly dad with three children clinging saucer-eyed to his arms. Out of the dusk, crowds of newcomers swarmed around us. And then they were off. At some invisible signal, the brilliant figures on stilts sped away through the medieval gateway and up the high street, half concealed in drifting veils of smoke lit up by coloured flares.

The Pied Piper was an amateur compared with these enchanters. Like steel filings to a magnet, we

ooed off the cathedral. The floodlights threw huge and menacing shadows on its walls.

The effect was spellbinding. Children cried out in delight and terror. "We're surely going to have nightmares tonight, folks," said a burly dad with three children clinging saucer-eyed to his arms. Out of the dusk, crowds of newcomers swarmed around us. And then they were off. At some invisible signal, the brilliant figures on stilts sped away through the medieval gateway and up the high street, half concealed in drifting veils of smoke lit up by coloured flares.

The Pied Piper was an amateur compared with these enchanters. Like steel filings to a magnet, we

ooed off the cathedral. The floodlights threw huge and menacing shadows on its walls.

The effect was spellbinding. Children cried out in delight and terror. "We're surely going to have nightmares tonight, folks," said a burly dad with three children clinging saucer-eyed to his arms. Out of the dusk, crowds of newcomers swarmed around us. And then they were off. At some invisible signal, the brilliant figures on stilts sped away through the medieval gateway and up the high street, half concealed in drifting veils of smoke lit up by coloured flares.

The Pied Piper was an amateur compared with these enchanters. Like steel filings to a magnet, we

ooed off the cathedral. The floodlights threw huge and menacing shadows on its walls.

The effect was spellbinding. Children cried out in delight and terror. "We're surely going to have nightmares tonight, folks," said a burly dad with three children clinging saucer-eyed to his arms. Out of the dusk, crowds of newcomers swarmed around us. And then they were off. At some invisible signal, the brilliant figures on stilts sped away through the medieval gateway and up the high street, half concealed in drifting veils of smoke lit up by coloured flares.

The Pied Piper was an amateur compared with these enchanters. Like steel filings to a magnet, we

ooed off the cathedral. The floodlights threw huge and menacing shadows on its walls.

The effect was spellbinding. Children cried out in delight and terror. "We're surely going to have nightmares tonight, folks," said a burly dad with three children clinging saucer-eyed to his arms. Out of the dusk, crowds of newcomers swarmed around us. And then they were off. At some invisible signal, the brilliant figures on stilts sped away through the medieval gateway and up the high street, half concealed in drifting veils of smoke lit up by coloured flares.

The Pied Piper was an amateur compared with these enchanters. Like steel filings to a magnet, we

ooed off the cathedral. The floodlights threw huge and menacing shadows on its walls.

The effect was spellbinding. Children cried out in delight and terror. "We're surely going to have nightmares tonight, folks," said a burly dad with three children clinging saucer-eyed to his arms. Out of the dusk, crowds of newcomers swarmed around us. And then they were off. At some invisible signal, the brilliant figures on stilts sped away through the medieval gateway and up the high street, half concealed in drifting veils of smoke lit up by coloured flares.

The Pied Piper was an amateur compared with these enchanters. Like steel filings to a magnet, we

هكذا من الامم







# Weekend Investor

Wall Street

## Fed's answer is still blowing in the wind

Maggie Urry believes pressure for a rate rise has slackened off in recent days

Alan Greenspan's reappointment as chairman of the Federal Reserve finally went through this week. On Tuesday and Wednesday next week the Fed's monetary policy-making committee meets to discuss whether a change in interest rates is necessary.

Will the former event affect the decision taken at that meeting? It should not, Greenspan has a reputation for being both unwavering by political winds and determined to choke inflation. If a rise in interest rates were necessary, he would not have been deterred just because his reappointment was still pending.

But in any case, the pressure for a rate rise seems to have lessened in recent days. By the end of this week, the bond market had a strong scent in its nostrils that interest rates would not rise at the Fed's July meeting.

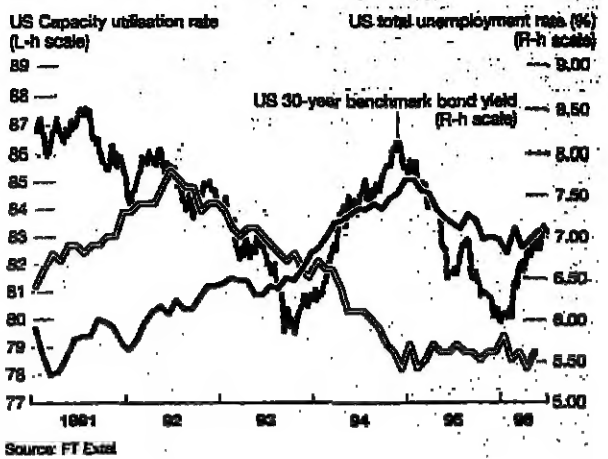
There is still a risk that at the following meeting, in late August, there will be a tightening of monetary policy. But the mood in the market is now definitely sunny, and August 30, the date of the next meeting, seems a long way off. By then, who knows, perhaps the strong economic growth being enjoyed during the second quarter will have abated.

That is the critical question, according to John Lipsky, chief economist at Salomon Brothers, the investment bank, who warns against reading too much into the bond market's rally. Data indicate that demand in the economy is strong and although speculation of a rate increase at this meeting has died down, he says: "The fundamental issues have not been settled."

Lipsky believes the central issue is "whether the pace of domestic demand growth will remain at its current above-trend rate, or whether clear-cut signs of a deceleration appear". Unless there is some sign of a slowing in the third quarter, he says, the Fed is likely to raise rates in August or, at the latest, by the end of the third quarter.

Sentiment in the markets over the chance of an increase in interest rates this coming week has swung in the last month. Fears of a rate rise increased after the May employment report released at the beginning of June. The 348,000 rise in the number of jobs worried investors that the economy was growing too

### Interest rates on the rise?



Source: FT Data

quickly, and that could push up wages, and so inflation. As the chart shows, the unemployment rate fell sharply from 1982 to 1994, as the US economy began to recover from the recession of the early 1990s. It has held fairly steady over the past year at around the 5% per cent rate considered to be the lowest it can reach without causing labour shortages which would increase wages - so far without a rise in inflation.

The yield on the 30-year long bond rose above 7 per cent when the May report was published. This Thursday the yield dipped below 7 per cent, retracing all the market's losses. Economists are expecting a much lower jobs increase than for May. But Lipsky expects a 300,000 rise, which would be an unsustainable rate.

Another indicator of inflationary pressures comes from the capacity utilisation number. That used to be a popular one to watch, but has become less so. Lipsky warns, though, that there is limited slack in the economy, and there is a danger of bottlenecks causing upward pressure on prices. The strange thing lately has been the way that equities have not fared better, given the improvement in bonds. Eric Miller, chief investment officer at Donaldson, Lufkin & Jenrette, the broker, still thinks there will be a July rally in the stock market.

But he is not hopeful that it will be broad or strong enough to be sustainable. He notes a real slowing of mutual fund inflows in June, after a strong May, and suggests that the new issue flow may have to abate. Flotations have been

cancelled as issuers came up against fatigue on the part of investors.

Meanwhile, Byron Wien, the market strategist at Morgan Stanley, is sticking to his forecast made two months ago that the market is in for a 1,000 point fall on the Dow Jones Industrial Average. He says he is even more convinced now than he was when he first made the prediction.

One danger sign he notes is that the flood of money into mutual funds is having a lesser effect on the market. In the whole of 1995 around \$130bn went into equity mutual funds, and the return on the S&P500 was 87.5 per cent. Already this year the flows to equity funds have almost matched the 1995 total, yet the return on the market has been less than 10 per cent. "It is taking a lot of cash to move the market a small amount," he warns.

If the market does fall, though, one investor will be happy. Warren Buffett, chairman of Berkshire Hathaway, this week welcomed the 40,000 new shareholders who bought shares in the recent offering of lower-priced B shares. He told them that "overall, Berkshire and its long-term shareholders benefit from a sinking stock market," because it can make investments at a lower price. "When the market plunges," he added, "neither panic nor mourn."

Dow Jones Ind Average	
Monday	5,717.78 +12.58
Tuesday	5,718.27 +1.48
Wednesday	5,682.70 -36.57
Thursday	5,677.53 -5.17
Friday	

London

## I'm Tomkins - licensed to add

What price an accountancy spook, asks Philip Coggan

No one is ever likely to make a TV series about an accountant. There is drama in the work of doctors, lawyers, policemen and even journalists. But how would you sell an accountancy show? "Tomkins - licensed to add"

But with their dogged attention to detail, accountants can create excitement for investors. Take this week, when Wickes, the DIY retailer, was forced to report that its profits and shareholders' funds had been overstated in previous years. The problems appeared to relate to the payment of cash rebates and credit notes from suppliers to help Wickes with marketing, promotions and other services.

The shares immediately slumped by 40p to 60p, prompting the company to ask for their suspension. Investors were understandably aggrieved - especially, no doubt, those who arrived at their desks mid-morning to discover they were

too late to sell. The following day saw the resignation of Henry Sweetbaum, the chairman and chief executive, and an investigation into the accounts is being conducted by Linklaters, the solicitors, and Price Waterhouse, the accountants.

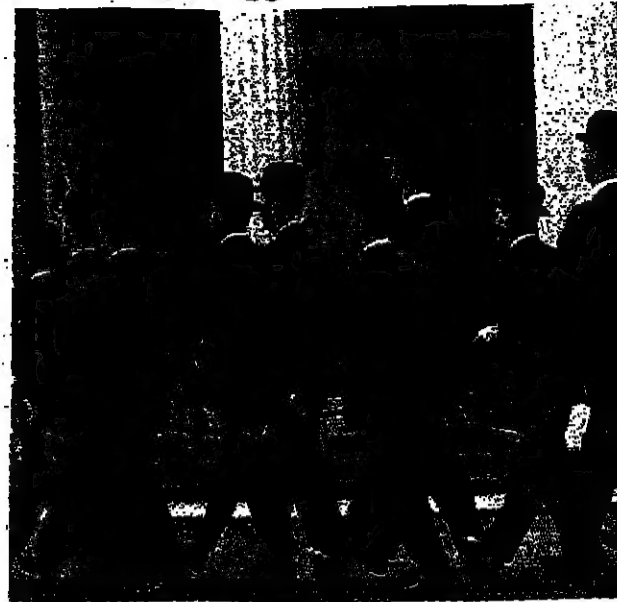
Accounts - or rather the lack of them - also caused a flurry at Costain, the UK construction group. The company, which has had serious difficulties in the 1990s, was close to the deadline for filing its figures. When it announced they would be further delayed this week, investors understandably feared the worst and the shares fell 31p to 38p before they, too, were suspended.

As it transpired, the news may be good rather than bad. A south-east Asian investor is considering purchasing a large stake in the group. Such a move, together with the sale of its remaining US coal interests, would transform Costain's financial position.

Seeing your shares suspended can be a frustrating experience for investors, although this seemed to be a week when all activity was grinding to a halt. Traders had plenty of competition for their attention, what with the Euro 96 tournament and the early stages of Wimbledon. The lack of enthusiasm is understandable. The first half has been disappointing for investors in blue chips; only yesterday's rise took the FT-SE 100 index above its end-December level.

Smaller companies have done a lot better, as the graph shows. And a similar split is starting to emerge in the economy. The consumer sector is finally rebounding, underpinned, according to Adam Cole, UK economist at James Capel, by "annual real personal income growth at its highest level since 1989".

But manufacturing is under pressure. Weak Continental economies are constraining export growth. And Corey Miller, of Credit Lyonnais



Bowled over: drama surfaced in the world of accountancy. (P. Coggan)

Lang, says that "the manufacturing sector's pricing advantage, measured by the differential between factory gate prices and retail prices, has all but disappeared".

Throw in the market's continuing nervousness over the political outlook and one can see why few are expecting fireworks from the market in the second half. Mark Brown, head of strategy and economics at ABN-Amro Hoare Govett, is sticking to his end-year target for Footsie of 3,500. "The equity market has been struggling in recent weeks while gilts have been doing reasonably well. We felt that shares had been looking stretched relative to bonds on a valuation basis and this may represent the adjustment," he says.

Some of the liquidity arguments which had previously been helping the stock market have dwindled, says Brown. The corporate sector has had its second successive quarter of fiscal deficit: there has been a pick-up in new issues; and such an appetite for equities among institutional investors is not healthy - pension funds were the net sellers of equities in the first quarter.

There are also some bad signs for those who are statistically minded. The Copping indicator, which turned down last month for the FT-SE 100 index, has also dropped on the All-Share. The indicator was devised to give "buy" rather than "sell" signals on the market and seemed to work well last year when it advised investors to buy at the end of April, with Footsie at 3,516.7. But stock market historian David Schwartz has found that a fall from a peak in the All-

Share indicator has signalled the start of a bear market on 10 out of the 11 occasions since 1985. In the past, prices have started to fall within four months (either before or after) of the signal being given.

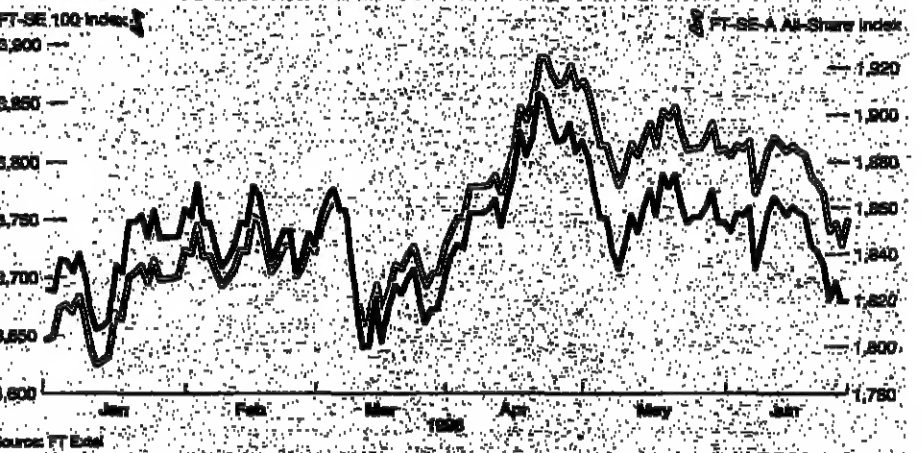
Statistical buffs will also be sad to learn that the O'Higgins theory, often mentioned in the Weekend FT, has had another bad year. This involves finding the 10 stocks in the FT-30 index with the highest yield and, of those, picking the five with the lowest share prices.

The theory was originally devised by Michael O'Higgins, a US fund manager, to be used with the Dow Jones Industrial Average. But when tested in the UK, it worked well over the period 1979-1993. An iron rule of such stock-picking theories seems to be that, as soon as they become widely known, they cease to work. The killer for the O'Higgins theory may have been the launch of a personal equity plan based on the principle.

Over the year to June 26, the five stocks selected by the theory managed an average loss of 8.1 per cent, compared with a rise in the All-Share index of 14.1 per cent. The culprits were Hanson, BTR and British Gas, which fell a whopping 38.6 per cent over the year.

Nevertheless, given the years in which the theory has been a success, it is worth trying the exercise again. The shares selected, using the June 26 FT, were British Gas (177.5p, 10.3 per cent yield), Hanson (176p, 8.4 per cent), BTR (255p, 7.3 per cent), BICC (312p, 5 per cent) and BT (344p, 7 per cent).

### The flyweights lick the heavyweights



### Highlights of the week

Index	Value	Change	Notes
FT-SE 100 Index	5,717.78	+12.58	Record high
FT-SE All-Share Index	5,718.27	+1.48	Record high
Amex	1,455	+25.14	Takover talks
FT-SE 100 Index	5,717.78	+12.58	Record high
FT-SE All-Share Index	5,718.27	+1.48	Record high
Amex	1,455	+25.14	Takover talks
FT-SE 100 Index	5,717.78	+12.58	Record high
FT-SE All-Share Index	5,718.27	+1.48	Record high
Amex	1,455	+25.14	Takover talks
FT-SE 100 Index	5,717.78	+12.58	Record high
FT-SE All-Share Index	5,718.27	+1.48	Record high
Amex	1,455	+25.14	Takover talks

Barry Riley

## Big funds vote with their feet

It has been a bad time to seek high income from equities



A frisky Friday managed to deliver an undistinguished half-year for the UK equity market. The FT-SE 100 index of the biggest blue chips is virtually unchanged from its end-1995 level, and the broader-based All-Share index is up just about 3 per cent.

London has lagged behind many of the important overseas markets. The Dow Jones Average has risen by about 11 per cent since the beginning of January, while Tokyo's Nikkei index is up by 13 per cent and the Europe ex UK index has advanced by 12 per cent (in local currencies). Nevertheless, the bull market has also survived in London in small company stocks. Whereas the Footsie index peaked with a gain of just 5 per cent on April 19, the SmallCap index hit a high as recently as June 6, with a 13 per cent gain.

What is wrong with London? This year's 5 or 6 per cent appreciation by sterling against key currencies like the D-mark, the French franc and the yen has not helped profit prospects. But corporate performance does not seem to be a problem.

True, earnings per share growth has slowed to about 10 per cent and year-on-year All-Share dividend growth has edged down to 9 per cent compared with 11 per cent at

one stage last year. But these are very decent figures in a low-inflation environment after four years of solid economic growth.

It is possible to blame the gilt-edged market, where long-term yields have risen from 7.7 to 8.3 per cent in six months.

But this does not seem to be by any means the whole story. Long bond yields have risen even more steeply in the US, and by about the same in Germany, without affecting the local stock markets in the same way.

In fact, the nub of the problem is a shift in the consensus thinking of the big investment institutions. The pessimism of the big funds has swamped any benefit from the rush of small investors into unit trusts, which have been selling at record levels to retail investors in recent months and may have bought around £1.5bn of UK equities so far in 1996.

Since last autumn, the life assurance and pension fund managers have been reducing their exposure to British stocks.

They are reacting to what they perceive as increased political risk. Figures from CAPS, a firm which gathers regular quarterly statistics on pension funds, show that UK equities accounted for 56.5 per cent of their portfolios at the end of September 1995, a

similar level to previous quarters, but a progressive rundown then began.

By the end of March 1996 the exposure was down to 54.5 per cent. Remember that 5 per cent of British pension funds represents some £10bn.

To begin with, the selling of UK equities reflected a largely passive decision not to reinvest all the cash received through last year's numerous takeover bids. Recently, however, the disposals have become more aggressive. Merrill Lynch's latest Gallup Poll of UK fund managers, for June, has indicated a current allocation to UK equities of just 53.1 per cent.

The eagerness to sell is greater than in any other of these monthly opinion polls since they were started in 1990. The money is being diverted principally into continental European and Far Eastern equities. Evidently the institutions are running scared of a future Labour government. To them a Blair market is a bear

**The institutions are running scared and believe a Blair market must be a bear market**

market. The biggest worry is over dividends. High payouts are especially attractive to pension funds, which can claim back tax on UK dividends.

The healthy and buoyant flow of dividend income has offset the risk of holding nearly 60 per cent of portfolios in a single type of investment, UK equities.

But next year's threatened Labour government is bound to be hungry for tax. A fast corporate sector will provide a soft target, and Labour will be able to argue that taxing dividends more heavily will encourage more retention of profits in order to finance capital investment.

So, investors are diversifying, by pushing their percentage invested in overseas equities up from 22 to a target of perhaps 27 per cent.

Fund managers also fear that takeover activity, already slowing from the peak rate of 1995, will be further discouraged, and that corporate governance practices will become less helpful to the creation of shareholder value. Hence, perhaps, the shift to the Continent where the corporate governance pendulum happens to be swinging the other way.

Even under the Tories we have seen demonstrated the particular political risks of the utilities sector, which has

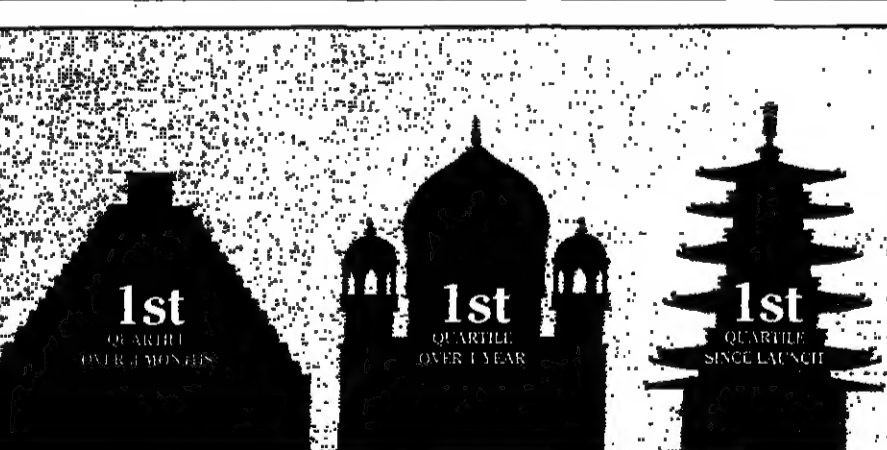
underperformed the All-Share index by nearly 10 per cent this year, dragged down especially by British Gas.

The utilities, together with fading industrial conglomerates such as Hanson and BTR, have been the focus of a general retreat by big investors from yield, in favour of a renewed search for earnings growth. Over the six months the higher-yielding 50 per cent of the top 350 UK stocks have given a total return (income plus capital growth) which has been a remarkable 7% per cent worse than from the higher-yielding half. It has been a very bad period for seeking safe high income from equities.

There are also general political anxieties about the prospects for the British economy. The unexpected base rate cut three weeks ago has done absolutely nothing for the market's confidence.

A consumer boom is being staked up and two-thirds of fund managers reckon that short-term rates will go up again smartly in 1997.

What of the rest of the year? I have not been very positive about the prospects for the London stock market in 1996. My contrarian instincts tell me, though, that if Wall Street holds up there is still a chance that London could bounce back up for a while as volatile political sentiment flows as well as ebbs.



## We're building a reputation in emerging markets

Mercury Selected Trust Emerging Markets Fund has come in the top 25% of funds in its sector over 3 months, 1 year and since launch in November 1993 - growing by 6.3%, 24.3% and 16.3% respectively\* and demonstrating how Mercury has achieved consistent performance in a particularly volatile sector.

is why we have a dedicated team of 20 investment managers and analysts, located in offices worldwide, researching opportunities in Emerging Markets.

For further details please contact Myra Alletson in Jersey.

Telephone: +44 1534 600706

or Fax: +44 1534 600687.

**MERCURY**  
ASSET MANAGEMENT

Offshore managed funds and UK managed funds are listed in Section One

The value of investments and the income from them may fluctuate and are not guaranteed. The value of an investment may also be affected by rates of exchange. Past performance is no guarantee of future performance. \*Offer to offer price basis. US dollar figures for 1st June 1996; source, Mifcor Offshore Territories and Luxembourg databases. The Investment Adviser for the Mercury Selected Trust Emerging Markets Fund is Mercury Asset Management plc (regulated by IMRO). The Fund is not registered for sale to the public in all jurisdictions. This advertisement is issued by the Fund's Investment Manager and Principal Distributor: Mercury Asset Management Channel Islands Ltd, Forum House, Greville Street, St Helier, Jersey JE4 8RL.

مكتبة المجلد